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ECONOMIC TIES WITH UNDP, OTHERS DEVELOPED

OW231152 Beijing XINHUA in English 1100 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- China's economic and technical co-operation with the United Nations Development Program [UNDP] and other international organizations is developing rapidly according to today's CHINA DAILY.

Chen Xinnong, advisor to the International Liaison Bureau under the Ministry of Foreign Economic Relations and Trade, said China contributed 14.8 million yuan (5.8 million U.S. dollars) to the UNDP between 1973 and 1983 to help organize study tours, training courses, seminars, workshops and symposiums for developing countries, especially those in the Asian and Pacific region. In the past few years, China set up seven training and research centers to promote economic and technical cooperation and exchanges between China and other developing countries. These centers are now offering to other developing countries China's experience in fresh-water fish raising, biogas utilization, primary health work, silkworm culture, acupuncture, the construction of small hydroelectric power stations and integrated rural development, Chan said. From 1979 through 1982, more than 1,200 people from developing countries came to visit and study at these centers or to receive various professional training.

During the 1979-81 period, Chen said, China received 15 million U.S. dollars from the UNDP to launch 27 projects throughout the country, and the UNDP decided at its 27th council in 1980 to give China 142 million U.S. dollars from 1982 to 1986. The aid is mainly used for importing advanced technologies and equipment to modernize China's industry, agriculture, education, health work and energy production, Chen said.

In 1980, an experimental station was set up with UNDP help to tackle in a comprehensive way the serious soil erosion, natural resources destruction and imbalance in agriculture and ecology on Northwest China plateaus. Progress was made almost immediately and the life of the local people was improved.

The rich resources in the Chaerhan salt lake area in Qinghai Province are also being tapped with UNDP help, Chan said. The deeply buried potassium chloride deposits, about 100 million tons, under the lake will soon be mined and used in China's modernization, thanks to the UNDP's help to promote the technology for producing potash fertilizer.

The Beijing International Information Center used UNDP aid to import six computers and software programs that cover information checking, economic management, medical and health work, urban planning and construction as well as other social services. Chen said that many Chinese professional personnel have received advanced training at home or abroad with UNDP funds.

RELATIONS BETWEEN CPC, OTHER PARTIES VIEWED

HK170927 Beijing HONGQI in Chinese No 2, 16 Jan 83 pp 10-14

[Article by Li Ji [2621 7535] and Guo Qingshi [6753 1987 0099]: "Uphold the Marxist Principle in Developing Our Party's Relations With Communist Parties of Various Countries"]

[Text] The new party constitution adopted by the 12th CPC National Congress clearly points out that the CPC "develops relations with communist parties and working-class parties in other countries on the basis of Marxism and the principles

of independence, complete equality, mutual respect and noninterference in each other's internal affairs." In his speech at the congress, Comrade Hu Yaobang succinctly and clearly expounded these Marxist principles.

Marxism brought to light the laws governing the development of the history of human society. It expounded the inevitability of the birth, development and demise of the capitalist mode of production and put forward the strategic and tactical principles for the proletarian revolution. However, in order to achieve successes in revolution, all countries must correctly apply these principles in their concrete practice.

In its long-term revolutionary practice, the CPC combined the universal principles of Marxism with China's concrete conditions and worked out concrete strategies and tactics which suited the realities in our country. It adhered to the principle of independence, got rid of all external interferences and led the people throughout the country to score great victories in the new democratic revolution. Soon after that, it carried out socialist revolution and construction in accordance with the same principle. In its external relations, it also scored great achievements and enjoyed high prestige in the world. However, in the 10 years of internal disorder during the "Great Cultural Revolution," our international contacts were affected and obstructed and the principles governing our foreign relations were not well implemented. Since the smashing of the Jiang Qing counterrevolutionary clique, especially since the 3d Plenary Session of the 11th CPC Central Committee, we have exposed and criticized the evils done by the Lin Biao and Jiang Qing counter-revolutionary cliques, including Kang Sheng, one of their chief members, to obstruct and sabotage our party's external activities, and have corrected some erroneous practices in our previous international contacts. At the same time, in the international communist movement, the struggles of some parties to oppose external interference and maintain independence have constantly developed. They also desire to restore and develop relations with the CPC.

In the new situation, our party has constantly developed and strengthened its friendly relations with the Korean Workers Party [KWP], the Romanian Communist Party [RCP] which has maintained close relations with us, and the communist parties in many countries, as well as some newly established communist political parties and organizations. The revolutionary friendship between our party and the KWP is cemented with blood in our long-term common struggles. It has withstood severe tests in the flames of battles and in various international stormy waves. The friendship and cooperative relations between the CPC and the RCP have been developed under difficult conditions and complicated international circumstances. There are broad prospects for the development of these relations.

At the same time, our party has actively and gradually restored and developed its friendly relations with the communist parties and other working-class political parties in some countries.

In 1978, the CPC and the League of Communists of Yugoslavia [LCY], motivated by the spirit of looking forward, formally announced restoration of their relations. Since then, the contacts between the two parties have constantly increased. They have often exchanged views on international affairs and experiences in carrying out socialist construction independently and in light of the specific conditions of each country. The restoration and development of the relations between the CPC and the LCY have attracted broad attention in the world and have a favorable reception.

In 1979, after a time of suspension of relations, our party restored its contacts with the communist parties in some West European countries. In 1980, it successively restored or established relations with the Italian Communist Party, the Spanish Communist Party and the Greek Communist Party (the domestic faction). The Chinese and the Italian Communist Parties have unanimously agreed not to say anything about who was correct and who was wrong in the past debates.

Both sides hold that the two parties are independent parties and must go forward again hand in hand in accordance with the spirit of looking forward. The two parties have many common interests; but they also have different views on some questions. They must fully exchange views with each other through comradely discussions so as to strengthen their mutual understanding and develop their traditional friendship. The Chinese and the Spanish Communist Parties have restored their militant solidarity and have agreed unanimously to further strengthen their mutual cooperation and unity under the principle of independence and mutual respect. In 1982, a new chapter was also opened in the relations between the CPC and the French Communist Party. The two parties unanimously hold that there must not be a "leading center" or a "father party" in the international communist movement. Neither must there be a ready "model" of socialism from which the communist parties in other countries can copy. All parties must follow their own socialist roads in light of their specific conditions. Their differences should not become obstacles in their comradely exchanges and cooperation. At present, our party is making continuous efforts to restore and develop its relations with other communist parties in Europe, Asia and Latin America.

Practice has proved and will continue to prove that the efforts made by our party in the new situation in restoring and developing its relations with some parties, in exchanging views with many parties on some important international issues and important questions concerning the development of the international communist movement as well as questions of common concern, and in presenting each other's situations and experiences, are conducive to the development of the forces which adhere to Marxism and advocate independence in the international communist movement, to the development of the worldwide workers' movement and to the development of the cause of the people of all countries who are opposing hegemonism, preserving world peace and striving for social progress.

The CPC insists on establishing, restoring and developing relations with communist parties and other working-class parties in various countries on the basis of Marxism and the principles of independence, complete equality, mutual respect and noninterference in each other's internal affairs. This is an objective demand of the development of the international communist movement and also a scientific summary of both positive and negative experiences in this movement.

Since the end of the World War II, great changes have taken place in the international political, economic and social situation as well as in the world revolutionary situation and the communist movement. Communists in all countries have been faced with a series of new theoretical and practical problems. They have to overcome various foreign pressures with great willpower so that they can independently apply Marxism to study the new situation and to explore and find the ways to solve the problems. As a result, a trend of independence has emerged and gradually developed within the international communist movement, and has become a main trend today. More and more parties have declared that there is not, and must not be, a "leading center" and a "leading party" in the international communist movement.

The historical experiences of the international communist movement in the tortuous development over the past century and several decades show that it is not only a right of the working class and its political parties in various countries to independently solve the problems in their revolution and construction, but is also an objective demand of the successful development of the revolution. There are great differences in the social and economic conditions and development as well as in class relations and the balance of class forces in various countries. The people's consciousness and how they have been organized also vary from country to country. For this reason, it is impossible to carry out revolution and construction according to a fixed model or pattern or under the guidance of a certain "leading center" abroad. The ways, strategies and tactics for the revolution and construction, which suit the conditions and characteristics of each specific country, can be explored and created by no other than the proletariat and its political parties in each of these countries.

No party must mechanically copy the experiences and patterns of the others or force the others to apply their experience and pattern. The revolution can neither be imported nor exported. Practice has repeatedly proved that when a party does not allow another party to maintain independence, forces its views on the latter and interferes in the latter's internal affairs, the latter's revolutionary cause will surely suffer setbacks and failure, the international communist movement will surely be fundamentally sabotaged and the high prestige and image of the international communist movement will surely be damaged.

Undoubtedly, the proletariats in various countries must support and help each other and learn from each other's experiences in their international cause of liberation. But fundamentally speaking, the victory of the revolutionary struggles in various countries can be achieved only when the parties adhere to the principle of independence and self-reliance. The revolution in a country can succeed only when conditions there are ripe, when the line of the party leading the revolution is correct and when the party's line, policies and principles enjoy the support from the broad masses of people in this country. In light of Russia's specific internal and external conditions, the Bolshevik party led by Lenin independently worked out its revolutionary program and won the victory in the October Revolution through the road of revolting in the cities and then spreading the revolution in the countryside. This is a road which has been proved to be correct by history. However, it could not be mechanically applied in China. As a result of dogmatizing, deifying and mechanically copying the Soviet experiences and Comintern resolutions by Wang Ming and other people, the Chinese revolution suffered enormous losses and was on the verge of an impasse. Then the Chinese Communists represented by Comrade Mao Zedong independently summed up both positive and negative experiences and lessons in the past. They adhered to the principle of combining the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution and, in light of China's actual conditions, took the road of encircling the cities from the rural areas and then seizing the state power by armed forces. The victory of the Chinese revolution has proved that this road which we have selected independently is correct. Comrade Mao Zedong made an outstanding contribution in this respect. His exposition on the principle of independence is an important component part of Mao Zedong Thought, which has added fresh ideas to the theoretical treasure house of Marxism. It is a policy our party has been firmly carrying out in all its external activities. However, just as we did not mechanically copy the Russian patterns, we do not require that the other countries follow our road.

The history of the international proletarian revolution and the disbandment of the Communist International show that the communist movement need not, and should not, have a "leading center" and a "leading party." All communist parties, regardless of their membership, history and whether in power or not, are equal. They must not be treated as higher and lower authorities or leaders and the led. No party, no matter how long its history may be, how early it achieved successes in the revolution and how rich its experiences are, has the right to place itself above the parties in other countries. Of course, we admit that due to the uneven development of the history in various countries, the workers in some countries have higher consciousness than those in other countries and the development of the proletarian revolutionary movements are also uneven in various countries. In different historical periods, the proletariat and their political parties in some countries may stand in the "forefront" of the movement and be in the "leading position" of the revolution. However, they, especially the parties which have already achieved successes in their revolution, should never proclaim themselves "leading centers" of the revolution, which can wantonly control and command the proletariat and political parties in other countries and interfere in the others' internal affairs. They should not consider that they can make a monopoly of Marxism-Leninism and that only they themselves have the right to explain Marxism-Leninism; neither should they regard what they have said as "universal truth" and "common laws," or regard those who do not copy their experiences as "departing from orthodoxy" and drive them out of the "church." In the past, our party also suffered from being controlled by some party which proclaimed itself a father party. The victory of our independent foreign policy is a result of resisting this control.

All communist parties must respect each other. All parties, big or small, in power or not, have their strong and weak points. They must learn from each other and make progress together. It is impossible that a big party with a long history is correct in all aspects. Still less can we say that when a party is correct on a certain question, it is correct on all questions. Since the histories, circumstances, experiences and the ways of studying problems of all parties vary from each other, it is normal that different views exist among them on the complicated and changeable situation and on the analysis of concrete events. Differences of views are unavoidable. It is not realistic and not possible to require that all parties hold the same view on all questions. In a sense, the existence of different views among the parties in various countries is good to making a comprehensive analysis and obtaining a correct understanding of the complicated international situation and events. So, the existence of differences must not become an obstacle in developing relations. They must be solved on a realistic basis and through internally exchanging views and promoting mutual understanding as well as through friendly discussions. As to some problems which cannot be clarified at the time, both sides can preserve their views and let practice give the answer in the future. If one side is labeled something by the other side when differences occur, as has been proved by practice, it is not conducive to the solution of the problems. It can only undermine unity, restrain thinking and stifle the atmosphere in discussing problems. What merits more attention is that a party must not rashly and openly criticize another party in a foreign country; still less must it call some parties together to criticize another or some other parties. Whether the line and policies carried out by a party in its country are correct can be judged only by practice and by the people in its country. No foreign party has the right to interfere in it.

It is unavoidable that a party makes some mistakes in its long-term struggles. These mistakes must be recognized and corrected by this party itself through summing up experiences and lessons. If they are openly criticized by a foreign party, even though the latter is correct, the desired results are unlikely to be achieved. However, things are entirely different if a party and the country under its leadership are seeking hegemony, attempting to order and control other countries and parties, interfering in other countries' internal affairs, and trying to subvert and invade other countries. When such things happen, we should and must strongly condemn these acts.

Since the foundation of the international communist movement, Karl Marx and Friedrich Engels stressed the independence and equality of the revolutionary movement in all countries. Adhering to the principle of Marx and Engels, the CPC improves its relations with communist parties in all countries.

While exploring the laws of the movement in capitalist society, Marx explained the historical mission and position of the proletariat. He set an aim of struggle to be attained by the proletariat to enable them to realize self-emancipation. Marx and Engels held that proletarian emancipation was the cause of the proletariat themselves, and stressed the need to foster the independent spirit of the proletariat. Proletarians in all countries have the same target and task, and they should unite in the struggle. However, such "international unity can only exist among nations; because of the existence of these nations, their independence in handling internal affairs should be included in the concept of the internationalism itself." ("Selected Works of Marx and Engels," Vol 39, p 84) This is to say that the arena of struggle waged by the proletariat exists in each nation. The masses can only be mobilized by adopting tactics of struggle in line with the special conditions of each country because the political and economic conditions of these nations vary. A proletariat can only fulfill its internationalist duty by doing a good job in the revolution and construction of its own country. While taking part in the revolutionary activities in the first international and making contacts with the activists of workers' movements in all countries, Marx and Engels always stuck to the principle of respecting the independent development of the revolutionary movement in all countries and not interfering in their domestic affairs.

In the rules of the International Workers' Association and in the letters to the activists in the workers' movement in all countries, Marx and Engels always regarded the International Workers' Association as a "central medium of communication and cooperation," an international "general committee, but not the pop" and not a guiding center. They always advocated that any workers' organization in any country should be allowed to formulate its own theoretical program and they were responsible for it by not violating the principle of the association. ("Selected Works of Marx and Engels," Vol 32, p 255-256, and Vol 2, p 283) On 3 July 1871, in an interview with the correspondent of THE NEW YORK WORLD, while commenting on the nature of the International Workers' Association and whether it was a conspiratorial center controlled by the pope which issued orders to workers' organizations in all countries, Marx said that the organizational form of the International was to give a maximum liberty of initiative and independence to workers' organizations in all countries and that the International Workers Association merely urged movements in all countries to attain a common aim. However, the working class of each country should adopt the measure and select the way toward this aim and the International would never fix the form of the movement or issue any order. Engels pointed out that a political party which had vitality should set the foundations of legal rights itself and adopt tactics of struggle according to its conditions and it was subject to alteration when the conditions had changed. He added that this tactic should be adopted by the people involved in the change of things in line with existing conditions.

While encouraging the independence of workers' organizations and political parties in all countries, Marx and Engels adhered to the principle of not interfering in their internal affairs. In 1891, the Polish Workers Movement activist, Wallery Wroblewski, in an attempt to solve the contradictions existing in the party of his country by making use of the influence of Engels, urged the latter to interfere in his country's internal affairs. Engels frankly replied that he himself "did not have any right" to do so.

Marx and Engels held that the proletariat needed international solidarity and cooperation in order to win final victory in the struggle. However, such unity and cooperation should be based on equality. They particularly stressed that the working class and its political party who took the lead of played a vanguard role in the worker's movement should never practice chauvinism or seek for special power by directing or leading the working class or political party of another country. Engels repeatedly criticized the chauvinism practiced by activists of the French worker's movement who took the lead in the international worker's movement and considered that France had the "right of an elder member of a family" to lead the movement. On 27 June 1893, in his letter to La Fargue, in accordance with the viewpoints of French activists who described the cause of proletarian liberation as an affair solely of the French people, Engels said that this "is impossible" and "distorts" the international workers' movement." He added that "the time has gone forever in which one nation can attempt to lead the other." ("Selected Works of Marx and Engels," Vol 38, p 491) Engels seriously criticized the minds and deeds of some leaders of the German Social Democratic Party who considered themselves to be the "leading centers" of the international movement. In a letter to Bebel, in 1875, Engels censured the German party, saying that the German proletariat had no right to speak on behalf of the proletarians in Europe and, in particular, had no right to say incorrect things. In a letter to Kautsky in 1882, he specially stressed that "a proletarian class which has won victory should not force any other nation to accept any method which is to bring benefit to them, or it will ruin its victory." ("Selected Works of Marx and Engels," Vol 35, p 353)

In his later years, Engels laid special stress on mutual respect between the political parties of the working class in all countries, and the democratic form and equal consultation between them. He especially exhorted La Fargue and other French socialists "not to assume the airs of issuing orders to the socialists in other countries." ("Selected Works of Marx and Engels," Vol 37, p 157) Engels exhorted French activists to respect other people and to discuss international activities with them.

In 1889, when preparations were made for convening the International Workers Congress (later named the Foundation of the Second International Congress), he advised that the French should not run the whole show. He suggested that they should let the congress be sponsored by the Belgian and the Swiss and that the French should be satisfied by handling the actual work of organization and preparation. If more things were to be demanded, then no sort of congress would be created. In his letter to La Fargue, after the foundation of the Second International, Engels gave repeated advice to the French who constantly showed their feelings of chauvinism, and urged them to advance the discussion of the nature and the form with other people in order to reach an agreement before they started international action. If a certain suggestion was put forward by oneself without making consultation in advance with the other who was requested to accept it, this action was intolerable and it would certainly make a mess of things. ("Selected Works of Marx and Engels," Vol 39, pp 185-187)

Those instructions of Marx and Engels serve as a theoretical basis for our party to establish its principle of independence, equality, mutual respect and noninterference in the internal affairs of other countries. The international communist movement and the practical experiences of our party have proved that these principles are the correct ones for improving the relations between the parties. Our party has reiterated that we especially treasure the right of independence won in the protracted struggle and that we also respect the right of independence of the parties and people of all countries. We oppose those who practice hegemonism and we shall never practice it. From now on, adhering to the principles set by the 12th CPC Congress to promote relations with communist parties abroad, we are ready to establish and improve close friendly relations in all fields with communist parties and other working-class parties who are willing to establish friendly relations with our party. This will promote the development of the international communist movement and bring prosperity to the progress of mankind.

I. 24 Feb 83

PRC INTERNATIONAL AFFAIRS  
UNITED STATES

B1

REAGAN CITED ON USSR GOALS IN EUROPE

OW231914 Beijing XINHUA in English 1609 GMT 23 Feb 83

[Text] Washington, February 22 (XINHUA) -- U.S. President Ronald Reagan reaffirmed today the "rebuilding of the foundation" of U.S. military capability and his "deep personal commitment" to arms reduction.

In a speech at the American Legion annual conference and in a midterm assessment of his foreign policy, Reagan said: "For two decades, the Soviet Union has been engaged in building up the most powerful military forces in all man's history." The Soviet leadership has not "stopped or even slowed" the pursuit of global military superiority. If we show the resolve to sustain the necessary levels of military spending," he said, "we can restore balance and deterrence."

He indicated that productive relations between the United States and the Soviet Union are not impossible. "What is required for such relations is restraint and reciprocity. Restraint must be demonstrated not only by words but by deeds," he said.

He reiterated that Vice President George Bush, during his recent European trip, conveyed his "willingness to meet anytime and anywhere with Mr Andropov to sign an agreement that would eliminate and entire class of weapons from the face of the earth." "That offer still stands," he said.

Reagan cited restoring relations with allies as one of the U.S. goals for the 1980s. He said that "the bedrock of European security remains the NATO alliance." He warned that the Soviet Union is pursuing a fundamental foreign policy to break the link that binds the United States to its allies. "The ultimate Soviet goal in Europe is to force the nations to accommodate themselves to Soviet interests on Soviet terms," he said. Acknowledging the growing movement in Europe against U.S. arms policy, Reagan went on to assure the West of his "commitment to serious, mutual and verifiable arms reductions."

On the Middle East situation, Reagan called on all foreign forces to leave Lebanon and promised that the administration will take "necessary measures to guarantee" Israel's security after its withdrawal from Lebanon.

REMIN RIBAO ON 1984 U.S. PRESIDENTIAL ELECTION

HK231110 Beijing RENMIN RIBAO in Chinese 23 Feb 83 p 7

[ "Special dispatch" by Zhang Liang [1728 0081]: "Mondale Announces Candidacy for U.S. Presidency" ]

[Text] Washington, 21 Feb -- Former U.S. Vice President and Democratic Senator Walter Mondale officially announced today in his native town of St. Paul, capital of Minnesota, that he will run in the 1984 U.S. presidential election.

Following Senator Alan Cranston of California and Senator Gary Hart of Colorado, Mondale is the third Democrat to announce his candidacy in the 1984 presidential election.

In the statement announcing his candidacy, he called on the Congress to "reduce the defense budget to a realistic level and abolish the original plan of reducing taxes for the rich."

He pointed out: "The sufferings of the people, the shaky economy and the dangerous arms race are all problems we are currently facing." In his article published in NEWSPAPY on 1 February, Mondale criticized the Reagan administration by saying that since the administration came to office 2 years ago, the United States has not been as "prosperous" and "secure" as it was before. He also criticized the government for "worsening" its relations with the Soviet Union, China, Japan, the West European allies and Black Africa and demanded that "cooperative relationships with Europe and Japan be restored and the alarming deterioration of our relationship with China be terminated." It is reported that Mondale is to go to the southern states of the United States to engage in the election campaign.

According to a recent public opinion survey, Mondale has a good lead on the other Democrats running for the presidency.

On the Republican side, the Republican National Committee unanimously decided on 28 January to choose Reagan and Bush to run for the presidency a second time. However, Reagan has not made known his position. It is reported that Reagan will possibly make his decision before "U.S. Independence Day" (4 July) this year. Public opinion here holds that Reagan's candidacy will depend on whether or not the domestic economy takes a turn for the better in the future. However, there are also people who hold that although Reagan has not announced his candidacy, he has, since the beginning of this year, visited some farms, factories and schools. Recently, he again put forward a \$4.3 billion employment plan and agreed to slash the originally fixed military expenditure for the 1984 fiscal year by as much as \$8 billion. These were actions taken by President Reagan designed to win over the votes of the unemployed, minorities and women. According to a report by THE NEW YORK TIMES, if Reagan does not run for the presidency, a situation characterized by contention between Bush and Howard Baker for the nomination of the Republican presidential candidate will emerge.

The 1984 presidential election is still about 2 years away. However, the campaign array has already been deployed. This indicates that the 1984 U.S. general election will be a hotly contested one. An American reporter said that the problems which the American electorate are most interested in are "the economy and disarmament."

#### WEINBERGER TESTIFIES ON U.S. MILITARY AID PROGRAM

OW231156 Beijing XINHUA in English 1110 GMT 23 Feb 83

[Text] Washington, February 22 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger stressed today that the U.S. military aid program for fiscal year 1984 "completes our own force structure and furthers our defense objectives." "It is, in essence, the overseas counterpart of our own defense efforts," he said.

Testifying before the House Foreign Affairs Committee for the proposed fiscal year 1984 "security assistance" program of 6.2 billion dollars, he said that the program has two "primary objectives": to support countries directly confronting the Soviet Union and the Warsaw Pact and to help maintain some friendly countries' internal security and stability. By so doing, he added, "we enhance our own security interests."

"Our assistance program helps us maintain foreign bases, gain access to overseas military facilities, improve our ability to operate with other armed forces, and, in general, improve the forward defense of the United States," he said.

He listed a number of "trouble spots" around the world that require America's "close attention." "The common element in each of these global 'hot spots' is the involvement of the Soviet Union, or Soviet-supported nations," he noted. By supplying arms to Cuba, Vietnam, the puppet regime in Afghanistan and other Third World countries, he charged, "the Soviets have either provoked or taken advantage of regional tensions and seized upon existing divisions and vulnerabilities in order to advance their own interests and thwart ours." "We need to provide for reasonable and prudent assistance to help deter aggression and bring confidence to those countries threatened by the Soviets, or Soviet-armed states," he stressed.

According to the Defense Department figures, the biggest recipient of the proposed FY 1984 military aid will still be Israel which will get 1.7 billion dollars, followed by Egypt which will get 1.3 billion dollars. Other major recipients will be Turkey, Portugal, Spain, Pakistan, Greece, South Korea and Jordan.

GROMYKO MEETS JAPANESE ENVOY IN MOSCOW

OW240244 Beijing XINHUA in English 0238 GMT 24 Feb 83

[Text] Moscow, February 23 (XINHUA) -- Soviet Foreign Minister Andrey Gromyko met Japanese Ambassador Masuo Takashima here today. A TASS report shows that the two sides did not agree on bilateral relations and international issues. TASS said that Takashima expounded Japan's attitude towards the development of Japanese-Soviet relations and views on current international situation. Gromyko said that "measures recently taken by the Japanese Government indicate a palpable slide of Japanese policy towards an increase of its potential for war and a dangerous accentuation of militaristic tendencies."

GROMYKO SAYS GENEVA TALKS MAKING NO HEADWAY

OW240914 Beijing XINHUA in English 0713 GMT 24 Feb 83

[Text] Moscow, February 24 (XINHUA) -- Soviet Foreign Minister Andrey Gromyko said yesterday the U.S.-Soviet missile talks now going on in Geneva has made no headway, reported PRAVDA today. In an interview with PRAVDA reporters, Gromyko reiterated his government's "principles of parity and equal security" and accused the United States of pressing for unilateral Soviet disarmament while keeping intact its own plan to gain military superiority by installing new types of nuclear arms.

Criticising Western European countries for their support of the U.S. "zero option" proposal, Gromyko said the United States and NATO have not raised any proposals in accord with the principles of parity and equality. But their starting point is still aimed at gaining military superiority. He said U.S. deployment of new types of missiles in Western Europe will cause qualitative changes in the situation which will actually undermine the basis for the talks. However, if Washington gives up its attempts to break the balance and take a constructive attitude, there are possibilities for reaching an agreement, he added.

ACTIVITIES IN PRC MARK USSR ARMY JUBILEE

Reception at USSR Embassy

OW231256 Beijing XINHUA in English 1244 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- I.S. Shcherbakov, Soviet ambassador to China, and V.P. Kasatkin, military, naval and air attache of the Soviet Embassy in Beijing, gave a reception here this afternoon to mark the 65th anniversary of the founding of the Soviet Army. Among the guests were Zhang Tong, director of the Foreign Affairs Bureau of the Ministry of National Defense, and Ma Xusheng, director of the Department of Soviet Union and East European Affairs of the Ministry of Foreign Affairs.

Army Dead Honored

OW231900 Beijing XINHUA in English 1525 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- On the occasion of the 65th anniversary of the founding of the Soviet Red Army, leading members of the governments and Sino-Soviet Friendship Association branches in Liaoning, Jilin, Heilongjiang and Hubei Provinces and the Inner Mongolian Autonomous Region laid wreaths at the tombs of fallen heroes of the Soviet Red Army or at the monuments to their memory. These Soviet Red Armymen gave their lives in the war against fascism.

USTINOV ARTICLE ON DEFENSE, 'MIGHT' CITED

0W231906 Beijing XINHUA in English 1527 GMT 23 Feb 83

[Text] Moscow, February 23 (XINHUA) -- If the United States begins to deploy its middle-range ballistic missiles in Europe, the Soviet Union would make effective and quick response to the new threat, said Soviet Minister of Defense Dmitriy Feodorovich Ustinov in an article issued by PRAVDA today. The article, marking the 65th anniversary of the founding of the Soviet Army, added that the Soviet peace proposal has not been positively replied to by the United States and NATO.

It stressed that now the Soviet Union is able to produce various weapons including MX missiles and cruise missiles. [sentence as received] The article said that under present conditions, the Soviet Union will strive to reduce the threat of nuclear war and at the same time strengthen Soviet defense and military might.

KYODO: PRC TO INVITE SOVIET TOURISM AGENTS

0W231351 Tokyo KYODO in English 1236 GMT 23 Feb 83

[Text] Beijing, Feb 23, KYODO -- China plans to invite three Soviet tourism agents to Beijing this month to have them take part in the upcoming 1983 international tourism conference of China scheduled for February 28-March 4.

Deputy Director Wang Yueyi of the Chinese General Administration for Travel and Tourism made this known at a press meeting here Wednesday, saying that three officials of the Soviet Intourist will participate in the international conference later this month. This is the first time that representatives of the Soviet Government agency for foreign travel were invited to such a meeting since the Sino-Soviet relations deteriorated in 1960s.

With the attendance of the Soviet travel agents to the international meeting in Beijing, China will start to receive Soviet tourists, tourism sources here said Wednesday. According to the deputy director, some 4,000 Soviet travellers each toured China both in 1981 and 1982. But these travellers mainly visited China for commercial and trade purposes or on official tours of the country, Wang explained.

The international meeting will open its five-day session next Monday, and Chinese officials will confer with foreign travel agents to exchange views on the ways to further promote the tourism industry. In 1982, China accepted some 1.2 million foreign tourists.

CHEN MUHUA CONTINUES VISIT TO JAPAN, MEETS LEADERS

## Talks With Nakasone

OW232103 Beijing XINHUA in English 1520 GMT 23 Feb 83

[Text] Tokyo, February 23 (XINHUA) -- Both Japan and China want to develop their relations on the basis of the three-point principle of "peace and friendship, equality and mutual benefit, and long-standing stability." This was the theme of the meeting between Japanese Prime Minister Yasuhiro Nakasone and Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua here today. The two wished the friendly relations between Japan and China would make further progress.

Chen Muhua said that there is much that can be done in economic cooperation between China and Japan as the two countries have favorable conditions for such cooperation. She noted that China and Japan should make timely consultation on new projects to ensure continuous and stable development of their economic cooperation.

Nakasone said that he was glad to see the smooth progress of China's modernization. As for new projects of cooperation, he added, the Japanese Government would examine this issue and consult with China as soon as possible.

Ismail Amat, chairman of the People's Government of the Xinjiang Uygur Autonomous Region, and Song Zhiguang, Chinese ambassador to Japan, were present on the occasion.

## Nakasone, Chen on Amity

OW232128 Beijing XINHUA Domestic Service in Chinese 1455 GMT 23 Feb 83

[Text] Tokyo, 23 Feb (XINHUA) -- While receiving Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, Japanese Prime Minister Yasuhiro Nakasone indicated that both Japan and China should develop their friendly relations on the basis of the three-point principle governing Japan-China relations. Nakasone said: "I believe that Japan-China relations must be further developed in accordance with the principle of peace and friendship, equality and mutual benefit, and long-standing stability."

Chen Muhua said: Following the normalization of Sino-Japanese diplomatic relations, a great development has taken place in our two countries' economic and trade relations. Special envoy Nikaido also achieved fruitful results during his recent visit to China. She believed that a still greater development of Sino-Japanese relations will certainly be achieved in the second decade of diplomatic relations -- more than in the first decade -- provided that efforts are exerted by both sides.

Chen Muhua noted that China and Japan should consult in a timely manner on new projects to ensure continuous and stable development of their economic cooperation. She said that there is much that can be done in economic cooperation between China and Japan because the two countries have favorable conditions characterized by timeliness, geographical proximity and support of the two peoples.

Nakasone said: "I am glad to see the smooth progress of China's modernization. As for new cooperation projects, the Japanese Government will examine this issue and consult with your esteemed country as soon as possible."

## Economy, Trade Official

OW232145 Beijing XINHUA in English 1605 GMT 23 Feb 83

[Text] Tokyo, February 23 (XINHUA) -- With the present world economic recession, the favorable economic situation in China contributes toward stability in the Far East and

is a good influence on the Japanese economy, says President of the Japan-China Association of Economy and Trade Toshio Doko here today. He made the remarks when Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, and her party called on him and other leading members of the association this morning.

Chen also called on Aiichiro Fujiyama, president of the Japanese Association for the Promotion of International Trade, this afternoon. Aiichiro Fujiyama told Chen that the favorable Chinese foreign exchange situation last year has shown the results of the economic measures taken by China. He wished greater economic development in China.

The federation of economic organizations arranged a reception in honor of Chen and her party here this evening. In their speeches, both federation Vice-Chairman Yoshizane Iwasa and Chen pledged more efforts to contribute to further progress of economic cooperation between Japan and China.

#### TRADE BETWEEN JAPAN, PRC DROPS IN 1982

0W171205 Tokyo KYODO in English 0719 GMT 17 Feb 83

[Text] Tokyo, Feb 17, KYODO -- Trade between Japan and China dropped for the first time in six years in 1982 with the two-way value reaching dollar 8.86 billion, off 14.7 percent from the previous year, due to substantial declines in Japanese exports of machinery and equipment, the Japan External Trade Organization (JETRO) said Thursday.

It said that Japanese exports totaled dollar 3.51 billion, down 31.1 percent from the previous year, and imports dollar 5.35 billion, up 1.1 percent, resulting in Japan's deficit of dollar 1.84 billion. The JETRO report said that Japanese exports of machinery and equipment were down 55.8 percent at dollar 1.8 billion with no new plant contracts won during the year. It said that in contrast, Japan's steel exports rose 8 percent to total dollar 1.29 billion due to China's recovery in heavy chemical industry and expanded capital investment in infrastructure. Exports of chemicals were down 8.5 percent and textiles were off 38.6 percent, it said.

The report said that the increase in imports was due mainly to a 4.9 percent gain in imports of mineral products, including crude oil and naphtha. JETRO said that crude oil imports increased 0.3 percent to total dollar 2.34 billion and naphtha imports were up 35.7 percent at dollar 300 million. Textiles imports were up 8.7 percent but imports of other items were generally sluggish, JETRO added.

It predicted that two-way trade is expected to increase substantially in 1983 since Japanese imports are expected to maintain the level of the previous year and exports are likely to increase steadily with a turnaround in China's foreign exchange reserves.

CHEN WEIDA VISITS NORODOM SIHANOUK IN TIANJIN

SK200415 Tianjin City Service in Mandarin 0030 GMT 20 Feb 83

[Text] At noon on 19 February, Samdech Nordodom Sihanouk, president of the Democratic Kampuchea, and his wife gave a luncheon at the guest house in return for principal responsible personnel of the municipal party, government and army organs.

Among those who were invited to the luncheon were Mayor Li Ruihuan; Yan Dakai, chairman of the municipal People's Congress Standing Committee; Wang Enhui, vice chairman of the municipal People's Congress Standing Committee; Bai Hua, deputy mayor of the municipality; and Wu Zhiyuan, deputy commander of the municipal garrison district. Also attending the luncheon were Comrades Han Nianlong and Wang Shen, advisors of the Ministry of Foreign Affairs; Lu Xuezheng, secretary general of the municipal People's Government; Wang Ping, director of the municipal Foreign Affairs Office; and Professors Xu Wanhua and (Zhu Jianmin). During the luncheon, hosts and guests repeatedly proposed toasts to the everlasting friendship between the two peoples. The luncheon was filled with an atmosphere in which cordial conversations were held.

President Sihanouk and his entourage will conclude their tour in Tianjin and leave here today. Prior to their leaving, responsible personnel of the municipality, including Chen Weida, Li Ruihuan, Wang Enhui, Bai Hua and Wu Zhiyuan, paid a farewell visit at the guest house. Also seeing them off at the guest house were responsible personnel concerned, including Lu Xuezheng and Wang Ping, and Professors Xu Wanhua, (Li Ziyun) and (Zhu Jianmin). Comrades Han Nianlong and Wang Zhen, advisors to the Ministry of Foreign Affairs, accompanied President Sihanouk and his wife in departing the municipality.

VODK CITED ON DK SEAT AT NONALIGNED SUMMIT

OW220350 Beijing XINHUA in English 0103 GMT 22 Feb 83

[Text] Beijing, February 22 (XINHUA) -- The Democratic Kampuchean radio today called on India to invite Democratic Kampuchea to attend the 7th non-aligned summit scheduled for next month in New Delhi in line with the principles of non-alignment. The radio said in a commentary that leaders or public opinion in most of the non-aligned countries demand the restoration to Democratic Kampuchea of its legitimate seat in the Non-aligned Movement and condemn Cuba for keeping Democratic Kampuchea out of the movement at the 6th summit in Havana. "If India follows Cuba's example, how will the other nonaligned countries see India?" the radio asked.

It said most countries including non-aligned nations in the world have for many times supported the legitimate seat of Democratic Kampuchea in the United Nations in the past four years after the Havana summit. It is a negative reply to Cuba's action, the radio said.

The radio called on India to take a just stand and respect the opinion of most of the non-aligned nations on Kampuchea's seat at the New Delhi summit.

REPORTAGE ON USSR TROOPS' CASUALTIES IN DRA

## Mutinous Soldiers Killed

OW232152 Beijing XINHUA in English 1833 GMT 23 Feb 83

[Text] Islamabad, February 23 (XINHUA) -- An estimated 600 Soviet troops in Afghanistan locked in bitter internal fight were eliminated en bloc in a rain of rocket firing and strafing from helicopter gunships sent by the Soviet military authorities, AGENCY AFGHAN PRESS reported today. The Soviet force comprising of Russian and Muslim soldiers was operating in Kunduz Province. The two contending groups based at Dasht-e-Hodan, 10 kilometers east of Kunduz City, had engaged in an open clash. It turned out to be a pitched battle on February 1 when the groups opened fire at each other, resulting in several soldiers killed on both sides. Officers of the Soviet military authorities reached the spot of the incident in an attempt to disengage them. After 4-day intense mediation efforts which bore no fruit, they returned to Kunduz. Later the Soviet military authorities in Afghanistan decided to kill their own men with gunships. The clashing forces were totally eliminated with large numbers of vehicles including tanks, armored cars, trucks, arms and ammunition destroyed in rocket firing and strafing.

The ground for the free-for-all is reported to be the lack of confidence in the Muslim troops drawn from Soviet Tajikistan and Central Asia. The Soviets had been alleging the Muslim soldiers from these areas have helped the Afghan resistance forces. This added fuel to the mounting tension and open clash. The Soviet authorities feared that if the Central Asian Muslim soldiers alone were killed, it would create a strong reaction among the Soviet Muslim troops, hence not a single soldier from either group of the estimated 600 survived the slaughtering.

## 1-6 Feb Incidents

OW222040 Beijing XINHUA in English 1657 GMT 22 Feb 83

[Text] Islamabad, February 22 (XINHUA) -- Afghan guerrillas have killed 46 Soviet-Karmal troops in their fierce attacks in Kandahar, Afghanistan's second largest city, and its surrounding areas since the beginning of this month, according to AAP.

On the night of February 1, the Afghan freedom fighters attacked a mobile Soviet force at Dand, western part of Kandahar, damaging five tanks with rocket fire. They mounted an assault on a Soviet force on security duty in Pashtoon Bagh in the city the following day. Eleven Soviet soldiers were killed and four tanks destroyed during the operation. On February 3, the Afghan guerrillas overtook and destroyed nine oil tankers near the Kandahar jail. On February 6, they ambushed a military convoy south of Kandahar City. As a result, 35 Soviet-Karmal troops were killed, and a tank, an army truck and a water tank destroyed.

SAN MARINO CP GROUP CONTINUES VISIT TO PRC

## Banquet in Shanghai

OW231240 Shanghai City Service in Mandarin 2300 GMT 21 Feb 83

[Text] According to a report by the Shanghai branch of the XINHUA NEWS AGENCY, Chen Guodong, member of the CPC Central Committee and first secretary of the Shanghai Municipal CPC Committee, met with a delegation of the Central Committee of the San Marino Communist Party, led by General Secretary Umberto Barulli on the evening of 21 February and gave a banquet in honor of the delegation on the same evening. The delegation is visiting our country at the invitation of the CPC Central Committee. The delegation includes party chairman Ermengildo Gasperoni and member of the Secretariat Giuseppe Renzi.

At the banquet, Comrades Chen Guodong and Gasperoni toasted the new development of friendly relations between the CPC and the San Marino Communist Party. When the delegation arrived in Shanghai from Xian on the morning of 21 February, Chen Guodong and other comrades greeted it at the airport. The delegation visited the Shanghai machine tools plant on the afternoon of 21 February.

## Zhao Meets Delegation

OW231922 Beijing XINHUA in English 1512 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- Zhao Ziyang met here this afternoon with the delegation of the Central Committee of the Communist Party of San Marino. The delegation is headed by General Secretary Umberto Barulli.

Zhao Ziyang, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee and premier of the State Council, said that the Communist Party of San Marino is a party with glorious revolutionary tradition. "It led the people of San Marino in their heroic struggle against fascists during the Second World War and made great contributions to the independence of San Marino, an ancient European country," he said.

Zhao said the two parties had full and beneficial talks and both have much in common in their views of the international communist movement and world affairs. "Your present visit has deepened the mutual understanding between our two parties and is of great significance to the consolidation and development of the relations between our two parties," he said. He thanked the Communist Party of San Marino for inviting a delegation from the Chinese Communist Party to visit San Marino. He said that by exchanging visits, relations between the two parties will enter a new stage.

Barulli said that although San Marino is a small country, its people cherish their independence, sovereignty and unity for which the Communist Party of San Marino had led its people in protracted struggles. At present, the Communist Party of San Marino maintains an important place in the government, he said. "During our stay here, our two parties have held very important discussions. It is a very beneficial work visit," he said.

Present at the meeting were Hu Qili, member of the Secretariat of the C.P.C. Central Committee; Qiao Shi, alternate member of the Secretariat and head of the International Liaison Department of the C.P.C. Central Committee; and Ji Pengfei, Standing Committee member of the C.P.C. Central Advisory Committee and state councillor. After the meeting, Zhao Ziyang gave a banquet for the guests. The delegation returned here this morning after a visit to Xian and Shanghai.

BRITAIN HAILS U.S. STAND AT GENEVA TALKS

OW240934 Beijing XINHUA in English 0716 GMT 24 Feb 83

[Text] London, February 23 (XINHUA) -- British Foreign Secretary Francis Pym said today that while accepting the zero option as the best solution Britain welcomed U.S. President Ronald Reagan's flexible stance at the Geneva talks on intermediate-range nuclear weapons.

Pym noted in a statement issued here today that there had to be a balance of power between the United States and the Soviet Union if a fair agreement could be reached. He said British and French strategic systems (submarine-launched missiles) should be excluded from the Soviet-U.S. talks.

The Soviet Union's proposals which would merely shift the threat from Europe to Asia could not be considered reasonable, Pym said. He also noted that it would be essential to include effective measures in an agreement on intermediate nuclear forces to guarantee its verification. Pym met with U.S. negotiator at Geneva Paul Nitze today to review the intermediate-range missiles talks.

WU XUEQIAN MEETS, FETES YAR PRESIDENT'S ENVOY

OW231930 Beijing XINHUA in English 1518 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- Chinese Foreign Minister Wu Xueqian held talks here today with Ahmad Mohammad Luqman, special envoy of the president of the Yemen Arab Republic, minister of state and general secretary of the Supreme Council for Youth and Sport. The two sides exchanged views on friendship and cooperation between the two countries and international issues of common concern. In the evening, Wu Xueqian hosted a banquet in honor of Luqman.

CAIRO CONFERENCE URGES SANCTIONS ON NAMIBIA

OW180400 Beijing XINHUA in English 0248 GMT 18 Feb 83

[Text] Cairo, February 17 (XINHUA) -- A resolution adopted at the two-day international conference on Namibia called on the international community to enforce "comprehensive sanctions" against South Africa and intensify their "support, solidarity and assistance" to the Namibian people in their struggle for independence. The conference, which opened yesterday, was organized by the Union of African Journalists and attended by African ambassadors to Egypt, African journalists and representatives from other countries.

The conference condemned the racist regime of South Africa for its continued occupation of Namibia in defiance of U.N. resolutions and world public opinion, for its policy of apartheid and racial discrimination against the people of Namibia and for its unabated military aggression against neighbouring countries.

A communique issued by the conference urged the Non-Aligned Movement to issue a pragmatic declaration in support of the Namibian cause. It urged the Organization of African Unity to "sort out and quell any differences and have a firm and unified stand in support of its member states and those still chafing under the jackboots of imperialism."

Egyptian Minister of Information Muhammad Safwat ash-Sharif pointed out at the opening session that the racist practices of South Africa have constituted a threat to peace and security in that region. He affirmed Egypt's full support for the just struggle of the Namibian people.

The documents adopted at the conference will be considered by the non-aligned summit conference scheduled for March in New Delhi.

RENMIN RIBAO ON CRUISE MISSILE TESTS IN CANADA

HK200752 Beijing RENMIN RIBAO in Chinese 20 Feb 83 p 6

["Newsletter From Canada" by correspondents Xu Deqian [6079 1795 6692] and Ma Hailiang [74 6 3189 0081]: "The Controversy Caused by the Cruise Missile Test Plan"]

[Text] U.S. cruise missile tests in northern Canada have been discussed for a long time and have also stirred up controversy; the matter has consistently been closely watched by Canadians in all sectors. In the past year, there have been frequent reports that the United States and Canada were going to reach a formal agreement on the issue, but in fact this was delayed again and again. On 10 February in Washington both sides finally signed a "Canadian-U.S. test and evaluation plan." The plan is valid for 5 years, and can be extended for a further 5 years by agreement by both sides. The main point in the plan is that the United States can make use of Canada's particular climate and terrain conditions to carry out weapons tests. The weapons to be tested include artillery, helicopters, surveillance equipment, advanced nonnuclear arms, aircraft missile systems and guidance systems for unarmed cruise missiles. Every test must first be approved by the Canadian minister of national defense. Atomic, biological and chemical weapons may not enter Canada.

Canada and the United States are both members of NATO and the North American Air Defense Joint Command, and the cruise missiles to be tested in Canada are one of the main weapons used by these two organizations in their defensive employments. In 1979, when the Progressive Conservative Party was in power in Canada, based on the requirements of collective defense it agreed to the NATO deployment of land-based cruise missiles in Western Europe. Since the Liberal Party took office again in 1980, in light of the international tensions caused by the Afghan and other incidents, it has consistently attached importance of strengthening national defense and the part played by Canada in NATO. Canadian Defense Minister Lamontagne recently stated that the world of the 1980's was even more turbulent than that of the 1970's and that the Soviet Union's enormous military power posed an undeniable threat to the countries of the West. Hence, heedless of strong domestic opposition to the move, the Canadian Government has insisted on allowing tests of U.S. cruise missiles on Canadian territory, in order to fulfill Canada's obligations to NATO and the North American Air Defense Joint Command and ensure the country's security.

The Canadian Government took another factor into consideration when taking this step. It hoped in this way to stimulate the talks on limiting medium-range nuclear weapons and reduce the danger of nuclear war.

There is a wide variety of views among Canadians of all circles regarding this plan the government has signed. Many people oppose any type of weapon test, acting with the best of intentions for preserving peace. They hold that as cruise missiles are very small it is impossible to spot and verify them in supervising disarmament. If the cruise missile tests are successful, no disarmament scheme can be put into effect, and this will be detrimental to peace. Many people take a diametrically opposite view, holding that the cruise missile is an effective weapon against an enemy because it is highly accurate and can fly at a low altitude, is hard to spot on radar, and so it is actually beneficial for preserving world peace. The differences between these two views are very wide, and their protagonists both stick to their stand. It seems that for a time to come, despite the controversy in Canada over the issue, the Canadian Government will continue to support the cruise missile tests by means of the agreement signed with the United States.

OFFICIAL SPOKESMAN CONFIRMS YE JIANYING TO RESIGN

OW231312 Hong Kong AFP in English 1246 GMT 23 Feb 83

[Text] Beijing, Feb. 23 (AFP) -- Marshal Ye Jianying, 85, will soon resign from the chairmanship of China's National People's Congress (NPC) for health reasons, an official spokesman announced here today.

He said Marshal Ye, second in China's party hierarchy, would present his resignation at the next meeting of the NPC Standing Committee. No date was given for the meeting, but according to statements by Communist Party Secretary-General Hu Yaobang to a delegation of Japanese trade unionists Sunday, the Standing Committee will convene on Friday.

The spokesman said that Marshal Ye had also decided not to run for the next National People's Congress, whose first session is scheduled for May or June.

In an interview with Japanese unionists Sunday, Mr Hu said the NPC chairmanship would be accorded on a temporary basis to Peng Zhen, an NPC vice-chairman and a major victim of the Cultural Revolution. The spokesman today declined to confirm the choice, but said Mr Peng had recently taken over much of Marshal Ye's work given the latter's "advanced age" and "physical weakness."

One of the last surviving military chiefs from the Chinese revolution, Mrashal Ye is considered among those most opposed to any attack on the prestige of the late Mao Zedong and the coolest towards the current ruling team of Deng Xiaoping.

Nearly unable to speak or get about, Marshal Ye had been unable to fulfill his duties as NPC chairman, a post which had been equivalent to head of state in China given the absence of a presidency of the republic. The new Chinese Constitution adopted last December, however, provides for a president of the republic who is expected to be named at the next NPC session.

But Marshal Ye will keep his number two rank in the Chinese Communist Party, as indicated today in press reports. Marshal Ye also conserves his post as vice-president of the party's powerful Military Committee.

LEADERS ADDRESS CADRES AT PARTY SCHOOL EVENTS

Song Renqiong to Work Meeting

OW240337 Beijing XINHUA Domestic Service in Chinese 1412 GMT 22 Feb 83

[Text] Beijing, 23 Feb (XINHUA) -- Speaking at the Second National Party School Work Conference this morning, Song Renqiong, member of the Political Bureau of the CPC Central Committee, said: An important task in the current administrative reform is to step up the work of bringing people who are more revolutionary, younger in average age, better educated and more professionally competent into the ranks of cadres, especially into the leading bodies.

Song Renqiong said: The purpose of readjusting the leading bodies is to ensure that their members are more revolutionary, younger in average age, better educated and more professionally competent. This in itself is a very profound reform. Comrade Hu Yaobang recently reiterated that we should boldly bring into leading bodies at all levels large numbers of comrades who have both ability and political integrity, who are in the prime of life, who have education and scientific knowledge and who dare to blaze new trails. We are now closely attending to this work.

In his speech Song Renqiong talked about the age requirement, educational standard and professional level for restructuring administration and readjusting leading bodies. He said: In regard to age, the Central Committee has stipulated that outstanding cadres under 55 should comprise a certain proportion of leading bodies at provincial, autonomous regional and municipal levels. The country now has 450,000 leading cadres at and above the level of deputy county head and deputy sectional head; among them 310,000 -- or 69 percent of the total -- are under 55 years old. We should make good use of these people. It is the veteran comrades' historic responsibility consciously to help promote the satisfactory succession from new to old cadres and effectively promote outstanding cadres who are in their prime of life to leading posts.

He said: In regard to the intellectual aspect, the Central Committee has demanded that cadres with college education and experts with professional skills be promoted to leading posts at all levels. Provincial party and government leading bodies should include qualified personnel who have professional knowledge in industry, agriculture, culture, education, science, technology management as well as finance and trade.

Song Renqiong said: Some provincial party committees have been able to appoint members of leading bodies according to Central Committee requirements. A very important reason for this is that veteran cadres there have emancipated their minds and are farsighted. He said: Veteran comrades who have stepped down in the course of administrative reform are all good comrades who enjoy the trust of the party because they have diligently and conscientiously worked for decades. All veteran comrades who have stepped down should make it the most important task of their old age to support the newly promoted young comrades. It is necessary to encourage veteran comrades to take care of new comrades and new comrades to respect veteran comrades. New comrades should sincerely respect and learn from veteran comrades.

Song Renqiong stressed: In readjusting leading bodies, we should guarantee the political quality of middle-aged and young cadres promoted to leading posts. Three types of people -- people who rose to prominence during the "great Cultural Revolution" by following Lin Biao, Jiang Qing and their like in "rebellion"; people who are seriously factionalist in their ideas; and people who indulge in berating, smashing and looting -- should never be allowed to stay or enter the leading bodies. However, in doing this we must be careful not to expand the scope by placing comrades who committed general mistakes under the historical conditions of that time in this category.

Song Renqiong said: The Central Committee recently decided to hasten the pace of readjusting leading bodies. In promoting cadres who have the ability and political integrity and are in the prime of life to leading posts, we should display greater determination and should never hesitate.

He said: In carrying out administrative reform and readjusting leading bodies, we should be fully aware of the important role of intellectuals in socialist modernization. He added: Our comrades should know that education and scientific knowledge are important to economic prosperity. The level of economic development in a country or region is closely related to the cultural and scientific level as well as to the socialist system and other fundamental factors. In our current socialist modernization drive, we urgently need knowledge in natural science and modern management operation.

Song Renqiong noted: Comrade Deng Xiaoping once said that talented people can be cultivated only if we dare to use them. If we lack experience, we must make use of talented people to accumulate experience.

Song Renqiang said: Comrades with higher education, ability and political integrity newly promoted to leading posts may lack experience and prestige. But experience and prestige can be acquired after a few years of tempering. Therefore the fear that newly promoted cadres do not have the experience and cannot control the situation or shoulder the burden is unjustified.

Wang Zhen to Retired Cadres

OW230641 Beijing XINHUA Domestic Service in Chinese 1221 GMT 20 Feb 83

[By reporter Zou Aiguo]

[Text] Beijing, 20 Feb (XINHUA) -- Comrade Wang Zhen said today: Retired veteran cadres have made valuable contributions to the revolution. The whole society should cultivate the good practice of respecting, caring for and learning from veteran comrades.

At a meeting to issue certificates of honor to retired veteran cadres called by the Party School of the CPC Central Committee, he said: Under party leadership, retired veteran comrades who joined the revolution for years, have worked hard and made valuable contributions toward founding New China and developing socialist construction in our country should be respected by the party and the people. In the course of the current structural reform many veteran comrades, in fulfilling their solemn duties, have withdrawn from leading positions and warmly supported young and middle-aged comrades who are in the prime of life and have both ability and political integrity in leading work. We should earnestly emulate this kind of lofty moral quality and precious revolutionary spirit. The party's cause will thrive if this kind of spirit is developed.

Wang Zhen expressed hope in his speech that retired veteran cadres would carry forward the fine party traditions and work style, do more things beneficial to the party and the people and strive to win greater honor. They must set a good example for the younger generation by forever upholding their sublime faith in communism.

He said: When veteran cadres retire, a group of young and middle-aged comrades are promoted to leading posts. Our veteran comrades are happy that our party has successors to carry on. Veteran comrades must sincerely support the work of young and middle-aged cadres and pass on experience, give help and set an example for them to follow ideologically and in work style. Young and middle-aged comrades, on the other hand, must impose strict demands on themselves, learn humbly from retired veteran comrades and ask them for advice, carry a heavy burden for the party, the state and the people and be bold in reform and blazing new trails.

Touching on the work of the Party School of the CPC Central Committee, he said: The Party School is now at a new turning point. The Party School's task is to shift the priority from giving rotational training to regularized training. This is a major reform in the work of the Party School. To fulfill this reform it is necessary to rely on the support and help of veteran comrades. He expressed the hope that retired veteran cadres of the Party School would always keep up with the burning revolutionary fighting spirit and continue to do their share in the party's undertaking of educating cadres, especially continuing to play their role in reform.

The Party School of the CPC Central Committee now has 92 veteran comrades going into honorable retirement, amid warm applause and music. Wang Zhen, Jiang Nanxiang, Yang Xianzhen, Wu Liangping, Song Zhenting, Fan Ruoyu and other leading comrades of the Party School presented them with red certificates of honor for retirement.

PAPER VIEWS NEW-REPLACING-OLD CADRE CHANGES

HK231134 Beijing JINGJI RIBAO in Chinese 16 Feb 83 p 1

[Article by Zhang Jingfu [1728 0513 1133]: "New Must Replace the Old in Unity and Cooperation"]

[Text] To do a good job in replacing the old with the new in a cooperative manner is a major issue that determines whether or not we will lack successors to carry on our cause. Comrade Chen Yun explained it very well: "Unless this problem is solved now and satisfactorily, the cause of communism may suffer a setback in China. All comrades, particularly old comrades, should realize the gravity and urgency of this problem."

The purpose of the structural reform carried out last year in units directly under the CPC Central Committee and state organs and at present in various provinces, municipalities and regions is properly to solve the important problem of replacing the old with the young. Here we have two problems that must be firmly and properly solved: One is boldly to promote a number of young and middle-aged cadres who have both ability and political integrity to leading bodies at all levels. Any hesitation and forfeiture of opportunities in this matter will be a historic mistake. The other is conscientiously to arrange for and give consideration to a substantial number of old cadres who will have to withdraw from the "front line," reduce their scope of right to command and extend their right to speak, narrow their range of work and extend their range of ties, shorten their working days to increase their health, and exert their "remaining enthusiasm" to prolong their lives. Provided this work is done well, it will promote cooperation of the new replacing the old, so that new and old cadres, retired cadres and cadres at their posts will unite and cooperate, study and support one another and make concerted efforts to grasp reform and promote construction. If this work is not arranged well, the old cadres will be given the cold shoulder after they leave or even before they leave. This would be unfavorable to unity and our cause as well.

We must respect old cadres, cherish, show concern for and give consideration to them. This is because:

1. Old comrades of our party have a high sense of revolutionary responsibility. The fact that a number of old comrades have responded to the call of the CPC Central Committee and withdrawn from leading "front line" posts during the structural reform carried out by units directly under the CPC Central Committee and the state organs proves this point.
2. Old comrades of our party have been tempered in the various revolutionary periods in the past. They braved untold danger, feared no sacrifice and fought heroically during the bitter white terrorism and the harsh revolutionary wars. They have performed deeds of valor in the great cause of founding the People's Republic of China and the struggle to build a socialist, strong nation. The people will remember and never forget those who have rendered meritorious service for them.
3. Thanks to the nurture of the party and through their own revolutionary practice over a long period of time, our old comrades have relatively rich experience and firm revolutionary faith and party spirit. They are the hard core of our country and a precious wealth of the party and people.
4. It is one of the fine traditions of our party and our nation to respect old and worthy people. We must carry forward this fine tradition so as to create an advantageous situation for unity of the party and people, the education of the youth and the building of the four modernizations.

It is definitely necessary to offer good service and not give the cold shoulder to old cadres after they leave. It is also more important to do more practical work. In accordance with instructions from higher levels and combined with practices in their own units, we must -- according to differing demands of the retired cadres -- enthusiastically in a down-to-earth manner solve a series of practical problems such as issuing documents to them for perusal, listening to reports, issuing study material, attending discussions on important problems, taking part in the party's organizational life and particularly their medical care, recuperation, housing difficulties, use of cars, place of engaging in activities and so on.

As for those of our old comrades who are still healthy, we must appropriately arrange in due time work for them to do that is within their strength. Anticipating the future work of the State Economic Commission, we very much need old comrades to offer more suggestions and help to ensure our work. For instance, we need more "bai le" to choose and select qualified young and middle-aged cadres to leading bodies. It is necessary to invite old comrades to do more investigations and studies, consider, do a good job in consultation and play the role of advisers in structural reform, enterprise reorganization, modernized management, planning and market regulation, middle cities leading rural areas, industry serving agriculture, urban areas serving rural areas, transformation of the organs' work style, raising work efficiency and so on.

In a recent letter to Comrade Yang Shaozeng, Comrade Hu Yaobang pointed out: Old comrades who were gloriously given approval to retire have now started a new stage of "joining revolution." As forerunners, you will offer advanced experience to us, who will follow you very soon. Let us all make concerted efforts, successively give way and enthusiastically support young cadres who have come to power. It will be a great happiness to see them working better than us. Let us make joint efforts, be worthy of the lofty name of old party members and old cadres and make new contributions in the new period of revolution and construction.

#### HU YAOBANG RECEIVES FUJIAN COUNTY SECRETARY

OW240557 Fuzhou FUJIAN RIBAO in Chinese 11 Feb 83 p 1

[Text] On the afternoon of 26 January Comrade Hu Yaobang received Lin Shixu, secretary of the Yongchun County Party Committee, and several other comrades, at Zhongnanhai's Qinzheng Hall. He expressed his hope that Yongchun County would become the nation's first electrified county with Chinese character.

Lin Shixu was in Beijing to report to the Ministry of Water Conservancy and Power on the work in Yongchun County. Hu Yaobang told Lin that he learned from a nationally televised broadcast that a third-grade power station was being constructed at Hengkou in Yongchun. With the help of a map, Lin Shixu outlined his county's plan of building a small hydroelectric power station.

Comrade Hu Yaobang said: I am glad that you have promptly responded to the Central Committee's call. I am very glad that you have done something good. He urged comrades in Yongchun to understand the whole situation and the situation of the world and the country. He said: There are more than 1,100 counties in the nation each of which has the potential to build hydroelectric power stations of at least 10,000 kilowatts. Electrification with Chinese character can be achieved in the nation's rural areas if these resources are utilized. He added: Without an understanding of the whole situation, local problems cannot be properly resolved. We must have international knowledge, otherwise we cannot do our jobs well.

When Lin Shixu mentioned that he intended to borrow from the bank for construction of the small hydroelectric power station, Comrade Hu Yaobang stressed: First, you should rely on your own efforts; second, you can encourage overseas Chinese to invest; third, you should rely on policies. Instead of relying on the state you should rely on your own efforts. Reforms are necessary and outmoded conventions must be eliminated; there is no way out if we do not reform. Reforms have enlivened our economy and brought us prosperity.

He posed for a photograph with Lin Shixu and other comrades.

Also present was Lin Yixin, deputy director of the Overseas Chinese Affairs Office under the State Council.

HU QIAOMU ADDRESSES LANGUAGE REFORM MEETING

OW241347 Beijing XINHUA Domestic Service in Chinese 1309 GMT 22 Feb 83

[By XINHUA reporters Zhuo Peirong and He Ping]

[Text] Beijing, 22 Feb (XINHUA) -- Twenty-five years ago -- on 11 February 1958 -- the Fifth Session of the First NPC made public the "Scheme for the Chinese Phonetic Alphabet." Linguists and concerned persons in the capital gathered this morning at the CPPCC Auditorium to mark this day of great significance in the cultural life of the Chinese people.

Hu Qiaomu, CPC Central Committee Political Bureau member, attended the commemoration meeting and introduced the following three viewpoints on reforming the Chinese written language:

First, it is necessary persistently to implement the "Scheme for the Chinese Phonetic Alphabet." This is the only scheme officially laid down by the state after long study and discussion; it has been accepted at home and abroad. We should not go back and make a fresh start because that will do no good and will cause confusion.

Second, I hope that the Committee For Reforming the Chinese Written Language will further perfect the "Scheme for the Chinese Phonetic Alphabet" and standardize it in daily use as soon as possible. For example, intonation marks should be used in writing the alphabet and a modification should be worked out to distinguish homonyms (a set of unified principles for making such differentiations). Otherwise it not only will be inconvenient for people using the alphabet but also will be regarded as an imperfect scheme worked out in a rough and slipshod way. This situation can no longer be tolerated. I hope this problem, which should have been solved long ago, will be solved within 1983.

Third, I hope that the experiences of the XINHUA NEWS AGENCY and the Ministry of Posts and Telecommunications in using the scheme for the Chinese phonetic alphabet will be summarized. The Committee For Reforming the Chinese Written Language and other units concerned should come up as soon as possible with an acceptable, perfected scheme for sending telegrams with the alphabet and properly solve the problems of using intonation marks with the alphabet and distinguishing homonyms. This will greatly popularize the use of the Chinese phonetic alphabet and have a tremendous influence on its future.

Presiding over the meeting, Zhou Peiyuan, vice chairman of the CPPCC National Committee and chairman of the China Association for Science and Technology, said: The introduction of the "Scheme For the Chinese Phonetic Alphabet" marked new progress in the history of reforming the Chinese written language. The alphabet scheme has played an important role in some aspects of building our country's socialist material and spiritual civilization.

Wang Li, vice chairman of the Committee For Reforming the Chinese Written Language and professor of Beijing University, pointed out: The Chinese phonetic alphabet does not amount to alphabetic writing but can be regarded as a basis for it. This is because the scheme for the Chinese phonetic alphabet is designed to transliterate the common spoken language, and future alphabetic writing will also serve this purpose. At the same time the scheme for the Chinese phonetic alphabet can serve as a basis for minority nationalities to create or reform their written language. In addition, this scheme can also help foreigners study the Chinese language. In view of all this, the scheme for the Chinese phonetic alphabet has strong vitality.

In their speeches at the meeting, a number of experts and scholars confirmed the achievements made in popularizing and applying the "Scheme For the Chinese Phonetic Alphabet" over the past 25 years. They held that this alphabet scheme has played a positive role in helping students study Chinese characters, helping minority people and foreign friends learn the Chinese language and popularizing the common spoken language. At the same time, the Chinese phonetic alphabet has been used in spelling Chinese names of persons and places, thus clearing up longstanding confusion in this regard. Using the phonetic alphabet in sending telegrams and handling computerized information is more economical and convenient than using Chinese characters. The Chinese phonetic alphabet has now been adopted by the UN Conference on the Standardization of Geographic Names and by the International Standardization Organization standardizing an international system for spelling Chinese geographic names and transliterating Chinese characters in documents.

Comrades at the meeting also pointed out: The present and future main tasks in popularizing the "Scheme For the Chinese Phonetic Alphabet" are to publicize extensively the significance of this scheme, to improve effectively the teaching of the Chinese language, to enable those who have a secondary education to learn and grasp the phonetic alphabet, to step up theoretical and technical research on transliteration of the common spoken language with the Chinese phonetic alphabet, to improve techniques for sending telegrams with the Chinese phonetic alphabet and to speed up research on applying the phonetic alphabet in computers.

Zhu Xuefan, vice chairman of the NPC Standing Committee, also spoke at the meeting. Also present were Qian Sanqiang, Sa Kongliao, Mei Yi, Dong Chuncai, Zhang Youyu, Ye Shengtao, Zhang Wensong, Lu Shuxiano, Ye Laishi, Ni Haishu, Tang Shouyu, Zhou Youguang, Wang Dajun, Ma Dayou, Yuan Hanqing, Jiang Chunfang, Chen Yuan, Liang Rongruo, Huang Nai and others, totaling more than 100 persons.

The discussion meeting was jointly sponsored by the CPPCC National Committee, the Committee For Reforming the Chinese Written Language and the Ministry of Education.

BEIJING REVIEW BIDS 'FAREWELL, BIG PUBLIC POTS'

HK231326 Beijing BEIJING REVIEW in English No. 7, 14 Feb 83 pp 4, 5

[ "Notes From the Editors" column by Economic Editor Wang Dacheng: "Farewell, Big Public Pots" ]

[Text] Recently the Chinese press has frequently criticized the practice of "eating from the big public pot." Please discuss this issue.

"Eating from the big public pot" is the popular metaphor for absolute egalitarianism in distribution, one of the undesirable practices that China seeks to eliminate as part of its current national economic reform.

Before the reform began, each worker or staff member received a fixed wage from his or her enterprise, regardless of work performance. Those who worked hard got the same as those who loafed around -- both "ate from the big public pot."

Similar practices characterized relations between enterprises and the state. The only difference was that the state "pot" was much bigger. The state paid the expenditures of all enterprises and collected their revenues, without caring to look into their management.

There were no rewards for well-run enterprises or penalties for poorly managed ones. Even those that suffered financial losses for years running were not blamed for mismanagement but rather continued to live off state subsidies and enjoy all sorts of public welfare benefits.

Chairman Mao Zedong dissected the complex social and historical causes for such absolute egalitarianism decades ago, pointing out that it was the product of a handicraft and small peasant economy.

In "On Correcting Mistaken Ideas in the Party" written in 1929, he said: "Before the abolition of capitalism, absolute egalitarianism is a mere illusion of peasants and small proprietors, and even under socialism there can be no absolute equality, for material things will then be distributed on the principle of 'from each according to his ability, to each according to his work' as well as on that of meeting the needs of the work." ("Selected Works", Vol. I, p 111.)

When the chairman wrote these lines, the communist-led Red Army, fighting a revolutionary war under harsh conditions, adopted a "supply system" according to which the distribution of material things was more or less equal for all officers and soldiers. Even under those circumstances, he said, absolute egalitarianism should be opposed.

After undertaking two wage reforms in 1952 and 1956, China established a distribution system which roughly conformed with the socialist principle "to each according to his work."

However, after the "left" trend of thought came into vogue in 1958, undue publicity was given to the Army's "supply system" while the significance of the wage system was played down.

Then, during the "Cultural Revolution" things went so far that the principle "to each according to his work" was criticized as a "bourgeois right." The result? The practice of "eating from the big public pot" became so widespread that it was universally accepted as part of the established socialist system.

Obviously the "big public pot" practice runs counter to the socialist principle of distribution. It serves only backward enterprises and lazy individuals and induces people to blindly follow the beaten track without seeking progress. Thus, for many years, Chinese enterprises lacked vitality and incentive, workers' enthusiasm for work was smothered and their sense of responsibility dulled.

To uproot this practice, it is imperative to completely revamp our management system. The industrious should be rewarded and the indolent penalized. This is the purpose of the responsibility system, which combines the interests of the state, the enterprise and the individual. Under this system everyone -- from the enterprise manager to the worker -- knows his responsibilities, has the means to perform his duties and is given remunerations commensurate with his contributions.

The responsibility system has succeeded beyond all expectations in the rural areas in the last few years. It is now being popularized in industry, commerce and other fields of endeavour.

The Yanguang Machine-Building Plant of Xian in northwest China's Shaanxi Province is a case in point. The factory lost money for years. In 1982, it still received a state subsidy of one million yuan to cover its losses. After it instituted a contract system in September that year, the factory eliminated all deficits in four months and reaped a 30,000 yuan profit by the end of the year. Success stories like this are not uncommon nowadays in China's mass media.

Will replacing the "big public pot" with the principle of "more pay for more work" lead to class polarization and estrange China from the socialist ideal for equality?

Our answer is a definite "no."

The gap in private incomes may become larger in the beginning, given differences in physical strength, attitude towards work and skills. But in the long run, the lazy will become diligent and those falling behind will push themselves to catch up, thus hastening the growth of production and improving living standards for everyone.

Furthermore, the state and collectives have worked out a series of measures to help those who are physically weak or lagging behind so that when they fail to catch up with others. Their basic livelihood is still ensured.

In socialist China, land, factories and mines, as well as most of the large means of production are all state or collective property. No individual is allowed to appropriate them for the exploitation of others. These are fundamental factors that prevent class polarization, the scourge of capitalist countries, from occurring in China.

#### FAMILY PLANNING COMMISSION HEAD DISCUSSES POLICY

##### Profile of Qian Xinzong

HK231516 Beijing BEIJING REVIEW in English No 7, 14 Feb 83 p 22

[From special feature entitled "Controlling Population Growth": "Profile of Qian Xinzong"]

[Text] Qian Xinzong is chairman of the State Family Planning Commission and adviser to the Ministry of Public Health. He is also the honorary president of the Chinese Medical Association and president of the China Red Cross Society.

Born in Shanghai in 1911, he studied medicine in Tongji University in Shanghai. In the 30s and 40s, he worked as a doctor and taught medicine. In the early 50s, he was a postgraduate in the Moscow No 1 Academy of Medical Sciences.

Later, he was appointed president of the Academy of Military Medical Sciences and in 1948, he became vice-minister and then minister of public health.

He has been a national leader in public health and family planning for 24 years.

Since the 1960s, he has organized medical workers to conduct studies on contraceptive operations and develop contraceptive medicines and devices. He also has overseen their dissemination and popularization. Following his call to control Shanghai's population growth, more than 600,000 people in the city were voluntarily sterilized.

While giving leadership to the daily work of family planning, he also studies population problems. He spends one-fourth of each year conducting investigations in all parts of the country. He has played an important role in formulating and implementing the population policy of "controlling the size of the population and improving its physique." He has also mobilized mass media to publicize family planning and personally wrote numerous articles on the topic.

Under his leadership, many contraceptive medicines and devices have been developed in China and are available to the population free of charge. These also will help meet partially the needs of other developing countries. Today, China leads the world in some of its birth-control measures.

Qian Xinzong often says: "As a doctor, I think about the way to keep the people in good health." He has actively implemented the principle of "prevention first" and promoted the establishment of grassroots public health service, which has achieved satisfactory results in preventing and curing diseases and in improving the health of the population.

China's population growth rate came down from 25.95 per thousand in 1970 to 12 per thousand in 1980 and the average life span of its people rose from 36 in 1949 to 68 in 1981. Qian Xinzong's contributions have helped achieve these advances.

Qian Xinzong is also active in international medical cooperation. He has attended many international conferences to exchange experiences with his counterparts in other countries.

#### Article by Qian Xinzong

HK231458 Beijing BEIJING REVIEW in English No 7, 14 Feb 83 pp 21-24

[Article by Qian Xinzong, chairman of the State Family Planning Commission, from the special feature "Controlling Population Growth": "China's Population Policy"]

[Text] China's population problem has become serious enough to arouse worldwide attention. Its solution is a strategic aspect of the country's modernization programme.

Our current focus is on quadrupling the gross annual value of industrial and agricultural production by the end of this century so that both urban and rural income will increase several times over and the people will be comparatively well-off both materially and culturally.

One of the prerequisites for realizing this goal is to keep the population within 1,200 million. But this is dependent upon whether we can effectively carry out the policy of controlling the population growth and improving the physique of the population.

#### Target of Population Control

China today has a population of 1,000 million, 80 percent of whom are peasants. Half of the population is under the age of 21. In the next 18 years, an average of 20 million young people will reach the marriageable age each year. That means that about 13 million babies will be born annually.

In 1981, the natural growth rate of China's population was 14.55 per thousand. At this rate of growth, the total population would top the mark of 1,300 million by the end of this century.

The added expenditures to support 100 million extra people are staggering. If 2,200 yuan are needed to support a child until he reaches 16, the total to support 100 million will be 220,000 million yuan, nearly half of the total value of China's present fixed assets.

Therefore, even if the gross annual value of industrial and agricultural production were quadrupled by the year 2000 it would still be hard for people to be well-off.

From 1964 to 1982, China's population increased by 310 million. It can only increase by just over 190 million in the next 18 years, with an average annual growth rate of less than 9.5 per thousand. This is extremely important, but difficult to achieve.

**Population Must Be Controlled**

The production of consumer goods and capital goods should be directly proportional to the production of the humankind itself under any kind of social system.

This is even more true in China, which has a socialist planned economy. Our experience has proved what grave results can occur if control is lost over population growth.

China's national economy has developed tremendously in the 33 years since the founding of the People's Republic. The absolute growth for both the output and output value of industrial and agricultural production has been fairly big.

But, as the population has also increased rapidly, most of the newly added means of subsistence has been consumed by the newly added population and the people's livelihood has not been improved as it should have.

The total output of grain increased from 163.9 million tons in 1952 to 344.3 million tons in 1982. However, the per-capita average hovered around 300 kilograms. The population growth has also caused acute problems in clothing, housing, transport, education and medical care.

Since the 1970s, family planning has been widely carried out in China's cities and countryside. A total of 68 million fewer children were born in the 10 years between 1971 and 1981. This reduction has played a positive role in improving the livelihood of the people.

A persuasive example is Shifang County in Sichuan Province. In the 20 years between 1957 and 1976, the county's grain output increased 22.2 percent, but its population went up 31.6 percent. The average per-capita grain output for its agricultural population actually dropped from 434 kilograms to 400 kilograms.

After the county carried out family planning, its population increased only 1 percent in the three years between 1977 and 1979. Its grain output increased 32.4 percent in the same period, and the average per-capita grain output for its agricultural population rose to 527 kilograms.

**One Couple, One Child**

Early in 1982, the Central Committee of the Chinese Communist Party and the State Council issued a directive calling on every urban couple to give birth to only one child. In the countryside, one child for one couple is also widely advocated.

In unusual cases, a couple may receive permission to give birth to a second child. (The most common unusual cases are: (1) the firstborn is a non-hereditary disabled and cannot become a normal member of the labour force; (2) in reorganized families, one spouse has a child by his or her first marriage and the other side is married for the first time; (3) those who had not borne children for years but became pregnant after adopting other people's children.) Under no circumstances is the birth of a third child allowed. Family planning also is advocated among national minorities but the policy is relaxed to a certain extent.

Today, 70 percent of couples at child-bearing age in the five provinces of Liaoning, Jilin, Heilongjiang, Shandong and Jiangsu as well as Beijing, Shanghai and Tianjin have given birth to only one child each.

If another 11 provinces with populations above 30 million reach this level, we can keep our population within 1,200 million by the end of this century.

Several advanced models have appeared in family planning. One example is Wenjiang Prefecture in Sichuan Province. Its one-child rate (the rate of first-borns in the total births) between January and September 1982 was 94.2 percent, and those who gave birth to three or more children accounted for only 0.25 percent.

No one in Shifang County, which is in the prefecture, gave birth to a third child.

The one-child rate for Yantai Prefecture in Shandong Province during the same period was 93.1 percent and the rate of third or more births was 0.4 percent. Now cases of giving birth to three or more children have disappeared in Rongcheng County and 136 communes in the prefecture.

Now, more than 16 million of some 25 million couples of child-bearing age in China who only have one child, or 63 percent, are holders of one-child certificates (issued to those who are willing to limit their family to only one child).

#### Education and Methods

In January, a one-month family planning publicity campaign was launched nationwide. Its purpose was to carry out ideological education among the people, especially the peasants, to help them discard the traditional ideas that more children bring more happiness and that boys are superior to girls.

Instead, they are taught that fewer, healthier births are important to the country's economic and social development and to the happiness of future generations, so that they will conscientiously carry out the policy.

In addition to education, necessary economic penalties have been adopted and the authorities provide ample medical services including contraceptives, safe operations and good maternity and child care.

Voluntary sterilization for either women or men is advocated among couples of child-bearing age who have given birth to two children. However, currently the rate of sterilization operation is lower in China than in the United States, Britain and other countries.

Local authorities throughout the countryside, while carrying out the production responsibility system, have given favourable treatment to couples who have only one child. Some communes and production brigades offer preferential treatment to families whose only child is a girl. All these efforts have been effective.

On the other hand, severe punishments are meted out for infanticide of baby girls and maltreatment of women who have given birth to girls.

The system of five guarantees (food, clothing, fuel, schooling and burial expenses) for childless and infirm old persons and orphans has been widely carried out in Ch'na's countryside. Some places have set up homes for the aged and some communes and brigades have a pension plan for retired peasants.

These social insurance measures and welfare facilities, which will be expanded gradually with the economic development, are conducive to relieving the one-child parents of their fears.

We are going to draft a family-planning law in the next two years on the basis of investigation and summing up experience.

Family planning has been incorporated into China's new Constitution and is an important aspect of the national economic and social development plan. The government and the people's organizations have taken it on as a long-term task.

The "one couple, one child" policy was formulated in light of China's actual conditions. It expresses the desire of the people nationwide for a modern and prosperous socialist country.

An increasing number of people accept population planning as they come to understand the relationship between the population theory and the people's own interest.

Although its implementation will meet with obstruction from the influence of traditional practices, we are convinced that we can successfully achieve our goals, so that we will contribute to the worldwide effort to control population growth.

#### JUMP IN URBAN POPULATION GROWTH EXAMINED

HK231616 Beijing BEIJING REVIEW in English No 7, 14 Feb 83 p 28

[("Answering Our Readers' column, from special feature "Controlling Population Growth": "Why the Jump in Urban Population Between 1981 and 1982?")]

[Text] The third national census taken on July 1, 1982 put China's urban (cities and towns) population at 206 million, according to the State Statistical Bureau (BEIJING REVIEW, No. 45, 1982). But the figure was only 138 million at the end of 1981 (and 134 million in 1980). The difference was 68 million. Why?

There are three major reasons:

1. Different methods of calculation. The 1981 calculation includes only those who are non-rural population (whose food grain is supplied by the state), but the 1982 calculation includes people whose homes are in the countryside but who have resided in cities or towns for more than one year. This is the principal reason causing the difference.
2. More cities and towns. In 1981, the country had 229 cities and towns. Seven new cities had been added when the 1982 census was taken.
3. Births and new residents. Some of the difference in the six month between calculations can be accounted for by natural growth (births) and people moving into cities and towns.

#### NATION'S PURCHASING POWER SHOWS SHARP INCREASE

OW240735 Beijing XINHUA in English 0235 GMT 21 Feb 83

[Text] Beijing, February 21 (XINHUA) -- The purchasing power of the Chinese people went up sharply every year between 1979 and 1982, according to the State Statistical Bureau.

Retail sales in China increased at an average annual rate of 25.29 billion yuan per year from 1979 to 1982, five times the annual average for the 26 years prior to 1979. In 1982, the total volume of retail sales in China was 257 billion yuan, up 9.4 percent over 1981. The bureau attributed the prosperous market to the increased employment and higher income of the people.

Rural retail sales were up 11.8 percent in 1982 over 1981, outpacing the increase for urban sales which was 6.2 percent. Keen to increase farm yields under the job responsibility system, the peasants are buying more and a greater variety of agricultural means of production, according to the bureau. The 1982 retail sales of farm tools and other means of production for agriculture were 39 billion yuan, a 12.2 percent increase over 1981. The retail sales of chemical fertilizer were up 16.8 percent, walking tractors, up 51.3 percent; and engines and motors for farm use (computed in terms of combined horse power), up 20.6 percent.

The nation's 1982 retail sales of consumer goods climbed to 218 billion yuan, with sales of food registering a marked increase of 13 percent over 1981. The increase for edible vegetable oil was 23.8 percent; for pork, 3.3 percent; and eggs, 4.5 percent. The increase in retail sales of food, the bureau said, testified to China's 1982 good harvest and new development in its food industry.

The Chinese are more fashion conscious, according to the bureau. Sales at least doubled for clothing of new fashions including down and leather jackets, woolen garments as well as children's clothes. Meanwhile, sales were down for textiles and clothing which were poorly designed or of inferior quality.

Sales of durable goods continued to grow, with the increase for rural sales exceeding that for urban sales. In 1982, 16.8 million bicycles were sold throughout the country, a 36.4 percent increase over 1981. Sales of sewing machines were up 22.6 percent; and wristwatches, 28.4 percent.

The total volume of retail sales by state-owned commercial enterprises increased 3.9 percent in 1982 over 1981, and the corresponding figures for cooperative and individual commercial enterprises were 30 percent and 80 percent, respectively. In 1982, state-owned commercial enterprises furnished 84.5 percent of the nation's total volume of retail sales. The figure was 87.7 percent in 1981.

#### RENMIN RIBAO ON MAKING, ACCUMULATING, USING MONEY

HK230830 Beijing RENMIN RIBAO in Chinese 18 Feb 83 p 5

["Academic Trends" report by Yu Guangyuan [0205 0342 6678]: "Seminar on Questions of Making, Accumulating and Using Money"]

[Text] The China Finance Society recently held a meeting in Zhenjiang City to discuss the questions of making, accumulating and using money, and to examine relevant theoretical as well as practical problems.

Comrades attending the seminar discussed relations between technical transformation and ways of "making, accumulating and using money." Everyone held that using money on adopting new technology and also making money by means of adopting new technology are the principal gauges of how to make, accumulate and use money in future technical and economic work. At present, the major problems in the use and management of all kinds of technical transformation funds are too much investment, too little output and poor economic results. This is depicted in investment terms as "small at both ends and big in the middle." Or, too little is used on such key projects as energy sources, communications and equipment replacement and technical transformation, and too much is used on building general processing capacity.

There are many reasons for the above-mentioned problems in production. They are mainly: 1) The state lacks a feasible binding long-term plan for technical transformation of the national economy as well as a rational technical and economic policy. Proceeding from partial and local needs and interests, some localities have often rushed headlong into duplicate and blind projects. 2) There is no breakthrough in the technological level of the machine building industry and there is a great deal of copying of old technology. 3) Funds are too widely scattered. There is a shortage of funds urgently needed for the technical transformation of enterprises, and funds which are temporarily not required for transformation also cannot be used. 4) Management of funds is slack, dispersed and chaotic, plans are not carefully worked out and results are poor.

In light of the above-mentioned problems, comrades attending the seminar put forward measures which should be adopted to manage and use properly various kinds of technical transformation funds: 1) Strengthen leadership, formulate a long-term technical transformation plan as quickly as possible and achieve an overall balance. In formulating the technical transformation plan, we must balance relations between the scale of technical transformation and all possible state financial and material resources, relations between the scale and progress of technical transformation and the objective of developing national economy by stages, relations between the objective of developing technical transformation and the manufacturing capacity of new technical equipment, relations between key transformation and general transformation, and relations between the technical transformation of trades and enterprises nationwide and the proportion of departments, composition of products and distribution of productive forces. 2) Set up and perfect grade by grade a management responsibility system on the basis of the trade transformation program. 3) Allocate funds for technical transformation to help guarantee the technical transformation of more than 1,000 key enterprises. We must allow trades and companies to have certain authority over the regulation of funds. Enterprises brought into the orbit of key transformation of the state plan should, in accordance with transformation time, funds requirement and possible state financial and material resources, appropriately increase their depreciation rate by categories, grades and stages. As a result of overall balance, the use of bank loans must be brought into the orbit of the trade transformation program. Allocation of financial funds for technical transformation should stress supporting enterprises of the machine building industry urgently requiring transformation. 4) We must study and carry forward the new policies and measures of technical transformation. For example, we must increase funds for the trial manufacture of new products, actively practice the system of compensating for the transfer of scientific and technological achievements, work out methods of drawing funds for the trial manufacture of certain new products in the machine building industry, and take effective measures to solve the problem of "small at both ends and big in the middle" in fixed assets investment. 5) We must maintain a scientific attitude, strengthen feasibility study and strictly carry out work in accordance with capital construction procedures. Things not in line with capital construction procedures and not verified by experts cannot be included in the program, and financial departments must not allocate funds and banks must not extend credits to them.

At present the income rate from funds is low, the turnover rate of circulating funds is low and the recovery rate of fixed assets investment is low. This is a concentrated manifestation of alarming loss and waste in the fields of production, construction and circulation. Only by pushing up the "three rates" can there be a considerable breakthrough in financial income. Therefore, the representatives attending the seminar have offered many concrete suggestions on the question of strengthening management. .

#### RENMIN RIBAO VIEWS CONTROL OF INVESTMENT SCALE

HK230607 Beijing RENMIN RIBAO in Chinese 21 Feb 83 p 5

[Article by Liu Lixin [0491 4409 2946] and Tian Chunsheng [3944 2797 3932]: "Conscientiously Control the Scale of Investments in Fixed Assets"]

[Text] Whether the scale of investments in fixed assets suits the national strength or not is the basic condition for the stable development of the national economy. We have carried out the principle of readjusting the national economy, curtailed the scale of capital construction since the 3d Plenary Session of the 11th CPC Central Committee, and the economic situation is getting better year after year.

However, the scale of investments in total fixed assets last year inflated because some localities developed a number of projects that were not planned. Since the founding of the PRC, the scale of investments in fixed assets exceeding the condition of financial and material power and overexpanding have occurred several times, incurring a great loss to the national economy. It is imperative to conscientiously draw a lesson and seek a solution to this matter.

#### Take Note In Handling Relationships Between the Whole and the Part

The reason why the scale of investments has repeatedly run out of control is that it is usually related to whether we have properly handled relationships between the whole and the part. One of the prominent questions at present is whether to develop the key projects of energy, communications and technical transformation of enterprises, and curtail investments on other respects, or vice versa. Viewed from the situation of the whole, it is urgently necessary to develop the key projects of energy, communications and so on, and develop the key technical transformation of existing enterprises. In order to develop these two key points, it is essential relatively to curtail investments in other respects, including investment in the processing industries. However, some comrades are keen on expanding processing industries. This is because only small investment is needed and it can bring about quick results. But the development of processing industries must be arranged rationally and planned in an overall way together with the entire national economy. Otherwise, our construction is bound to be blind and will develop repeated projects that will inevitably lead the investments scale in fixed assets to run out of control, and the contradiction of proportional disequilibrium in the national economy will again be acute.

Some comrades say that since results of projects in our locality and department are so ideal, why can't we develop them? It is indeed necessary to reckon investment returns. The problem is from what point of view we should reckon this return. Must we judge it only in part or view it simultaneously as a whole? It is necessary to reckon economic results in part, but we must be guided by the idea of coordinating all the nation's activities like chessmen and consider the economic results to society. The interests of the locality and the part can be assured only when we have properly linked together the macroeconomic results with the microeconomic results, the interests of the whole with partial interests and long-term interests with immediate interests.

#### Properly Handle Relationships Between the Scale of Annual Investment and the General Scale of Investments

Some comrades make an issue of annual investments whenever they talk about controlling the scale of investments in fixed assets. In fact, this is not way to solve problems. One of the characteristics of fixed assets investment is the great length of its cycle. It usually needs a term of 3 or 4, 5 or 6 years or even longer. If we stressed only annual investments in controlling the scale of investments, it would be difficult to look ahead and behind, make overall arrangements and achieve the expected results. If we control the annual investment scale when construction on a general scale is under way, investment would be like spreading pepper -- distributing some money to the numerous projects -- and like fighting a war of attrition by dispersing forces, dragging out projects to 7-8 years which originally could be finished within 3-4 years.

Superficially, the scale of investments is controlled, but actually investment returns drop sharply. That is why the key to controlling the scale of investments is to control the general scale of construction by working out medium and long-term planning. During the First 5-Year Plan period, there was a relatively stable Five Year Plan and the general scale of construction was fixed appropriately. Therefore the results were relatively good. In the last 20 years or so, capital construction was mainly developed according to annual planning. Usually the scale of construction is fixed every year. In a favorable situation, investment would rise and the construction scale would expand. Whenever the situation is changed, annual investment is cut down, forced to fight a war of attrition and draw out the cycle of construction. Facts have proved that a sudden rise in investment is bound to bring about a sudden fall. Some projects are started one year when they have enough funds but discontinued the next when there is not enough money. Great waste is caused if we do this over and over again. Due to great changes over the years in construction scale, projects and investment, there were many difficulties in the work of capital construction, including prospecting, design, construction, advance arrangements on equipment, links of synchronous auxiliary projects and so on. This is the main reason why capital construction investment returns were not high over a long period in our country.

The key to doing a good job in making medium-and long-term arrangements for the investment of fixed assets is to fix a number of projects in advance, as preparatory projects, which have a major effect on the national economy. In accordance with the strategic objective and measures of developing national economy and carry out planning and arrangements, we not only must achieve simultaneous construction of various projects and bring about integrated economic results but also rationally distribute funds in each annual year according to characteristics of "a few advanced, a few backward, but the majority middling."

By arranging a number of major preparatory projects in medium-and long-term planning, we can also advance the planning and annual design of the projects and provide conditions for the feasible research and preparatory work of the projects. In this way, we can gradually change past practices that fixed projects hastily, had no ample preparation and started construction in a hurry which caused serious loss and waste.

#### The Key Is To Apply Funds Rationally

In the past, when called on to develop production, some comrades were keen to start new projects, extend and develop them on a large scale, and considered this the only way to assure the swift development of national economy. Such understanding is one-sided. It is indeed necessary to engage in capital construction in developing production. Without a moderate scale of construction it would be impossible to develop speed in production. However, if we merely emphasized starting new projects and developing them on a large scale and did not stress rational utilization of funds, it would be impossible to control the scale of investments and the development speed of production is bound to fail. This has repeatedly been proved by experience since the founding of the PRC.

At present, by controlling the goals of investments, the state does not mean to cut down the scale of investments in fixed assets, but to fix the scale of investments on a level suited to our financial and material strength, and at the same time to readjust the direction of investment and realize the development of key projects of energy and communication, and key technical transformation of enterprises, and the curtailment of investments in other respects. Practicing such a policy is a forceful measure which does not affect the speed of production development but actively promotes it. On the premise of fixing the scale of investments in fixed assets, the rational utilization of funds determines the speed of production development. The rational utilization of funds comprises two main aspects: One is rationally to distribute investments, because only with a rational investment structure can we have a proportioned economic structure and a certain speed of production development. The other is to use as little investment as possible to achieve fixed construction demands. Viewed from the annual scale of investments in our country at present, provided we achieve the above two points, we can score far greater achievement than before without increasing investments.

It is necessary to strengthen the management of construction funds. At present final accounts exceed budgets and budgets exceed budgetary estimates in capital construction on a large scale. Under such circumstances, even though we have controlled the scale in our planning papers, the actual expenditure will far exceed the planned scale. In solving this problem we must fix the total amount of investments of construction projects practically and in accord with actual conditions. Construction banks should also coordinate planning departments and departments responsible for capital construction to reorganize the budget quota, budget price and standard of charges, and strive to reduce the irrational cost of projects. At the same time they must also help build, design and construct units to reform all irrational rules and regulations, practice various forms of operating the responsibility system, operate and manage well, raise the quality of budgetary estimates, budget and final accounts, and use funds economically.

#### RENMIN RIBAO ON STRAIGHTENING OUT FINANCIAL WORK

HK241046 Beijing RENMIN RIBAO in Chinese 23 Feb 83 p 2

[Commentator's article: "Straightening Out Financial Work Is an Important Element in Perfecting the Responsibility System"]

[Text] To stabilize and perfect the responsibility system in production in rural areas, many problems have to be resolved. Straightening out financial work in collective economy is something concerning the vital interests of the vast number of commune members, and all relevant leaders must treat it as an important element in perfecting the responsibility system and must earnestly carry it out.

After practicing the system of contracted responsibility with payment linked to output, the style of management has been changed and many areas have got rid of the unhealthy phenomena of a handful of people squandering, wasting, overspending and embezzling money. However, in some production teams, much work has to be done in connection with financial management and accounting. For example, financial problems left from the past must be properly handled; properties assigned to the lower levels resulting from implementation of the system of contracted responsibilities with payment linked to output must be properly handled; creditor's rights and debt must be made clear; contracts must be signed and observed; collective assets must be well managed in line with the overall situation, and cash and material submitted by contractors must be well utilized; various new systems of financial management must be established. All in all, financial work must continue to be strengthened and not undermined.

Over the past 2 years many communes and production teams have straightened out financial work, gained a clear idea of their own financial status, overcome the phenomena of confusion in financial work, improved relations between cadres and masses and promoted the drive of increasing production and practicing economy. Many areas have, in close connection with stabilizing and perfecting the responsibility system in production, straightened out financial work. They not only have resolved old problems left over from the past but also have resolved new problems arising in the process of implementing the responsibility system and have established a new order in financial management, warmly welcomed by peasants.

According to statistics, only 40 percent of all production brigades and teams in the country have finished straightening out their financial work. Some provinces and regions and many prefectures and countries are still in the testing stage in carrying out the work and they have made slow progress. The main reason is that the leaders fail to have a clear understanding of the relationship between the straightening out of financial work and the perfection of the responsibility system in production. Some, thinking the two are in conflict with each other, consequently lack determination. Although financial work has been straightened out in some areas, it was carried out perfunctorily and superficially. In some areas, due to confusion in financial work, commune members refused to sign contracts and the submitted task could be fulfilled. The portion that should accumulate cannot accumulate, and the portion which should not be distributed has been distributed. All these directly affect the stability of the responsibility system. Leaders in these areas must, in the spirit of the Central Committee's, recent document, be determined to properly straighten out financial work in communes and production teams in the process of perfecting the responsibility system.

PROMINENT ECONOMIST SUN YEFANG DIES 22 FEB

OM232123 Beijing XINHUA in English 1500 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- Sun Yefang, a renowned Marxist economist of China's, died of cancer of the liver at 17:05 hours yesterday at the age of 75.

Even during his last days, acquaintances said, Sun Yefang talked about the development of economics in China and the country's modernization. He had said he would be most grateful if, after he died, people would continue discussing his ideas and try to implement what they found useful to accelerate China's modernization. "I am expecting neither tears nor wreaths," he was reported to have said.

Sun Yefang, originally named Xue E'Guo, was born on October 24, 1908 in Wuxi County, Jiangsu Province, and began doing revolutionary work under the leadership of the Chinese Communist Party in 1923. He was best known for the research of major theoretical and practical problems in China's socialist construction, which he began doing in 1950's. Despite his advanced age and failing health, Sun Yefang wrote in the past three years 23 papers on the party's economic strategy and policies for China's modernization, which were regarded as valuable and useful.

The veteran economist and proletarian revolutionary was elected a member of the Central Advisory Commission of the Chinese Communist Party Central Committee at the party's 12th national congress held in September 1982. He was also adviser to the Economic Research Center of the State Council and honorary director of the Institute of Economics under the Chinese Academy of Social Sciences.

Before Sun Yefang died, his visitors at the hospital included Zhao Ziyang, Wan Li, Xi Zhongxun, Ulanhu, Fang Yi, Hu Qiaomu, Yao Yilin, Chen Muhua, Deng Liqun, Gu Mu and Gao Shi. Chen Yun made a phone call to the hospital.

#### MILITARY CHEMISTRY TO BE USED IN CIVIL INDUSTRY

HK240232 Beijing CHINA DAILY in English 24 Feb 83 p 1

[**"Special to CHINA DAILY"** by Chen Ming: "Military Chemistry Serves Civil Use"]

[Text] China plans to shift use of special chemical products like organic silicon and fluorine from military purposes to civil use in order to accelerate the development of technology and the national economy, according to the Ministry of Chemical Industry.

A leading official said his ministry will switch to mass production of 15 special chemical products, including organic silicon and fluorine, some plastics, synthetic fabrics and specially-treated rubber. Some of the special chemical products have been reserved for advanced military use and scientific research. They are now expected to spur development of light, textile, machinery, electronic and printing industries, the official said.

Manufacture of such products began in China in the late 1950s, mainly for military purposes at the time. Since then, the special chemical products industry has met the national defense needs with sophisticated projects. In 1982, anerobic adhesive was introduced to solve the problem of oil leakage in trucks, the ministry said.

Special chemical products are reported doing well in medical and public health areas. Artificial throats made of silicon rubber have helped 20 throat cancer victims recover the ability to speak, breathe and eat normally. After treatment of a silicon emulsion resistant to high temperatures, the lubricity of polyester thread has been improved. At present, "Golden Deer" and "Flying Wheel" brands of thread have been exported to 29 countries and regions. With the help of organic silicon, dacron shirts and other garments are now more soft, smooth and comfortable, the ministry said.

#### GO ENTHUSIAST FANG YI VISITS CHAMPION GO PLAYER

OW240511 Beijing XINHUA Domestic Service in Chinese 1251 GMT 23 Feb 83

[By Reporter Wang Junpu]

[Text] Beijing, 23 Feb (XINHUA) -- Fang Yi, state councillor and honorary chairman of the Chinese Go Association, today visited at the Beijing Gymnasium Ma Xiaochun, the young go player who had just won first place in the fifth world amateur go championship tournament.

Fang Yi shook hands with Ma Xiaochun and other players of the Chinese go team and watched the replay of Ma Xiaochun's matches with great delight. Ma Xiaochun described to Comrade Fang Yi his hard battle with Japanese go player Miura Hiroshi in the final match which took him 7 and 1/2 crosses to win.

Later, Fang Yi also visited the coaches and athletes of the Chinese table tennis team being trained at the gymnasium.

ANHUI'S ZHOU ZIJIAN AT COMMUNE REFORM MEETING

OW221043 Hefei Anhui Provincial Service in Mandarin 1100 GMT 18 Feb 83

[Text] A recent meeting held by the Anhui Provincial CPC Committee for prefectural and city party committee secretaries in charge of agriculture called for proper ~~restructure~~ restructuring of the communes throughout the province by gaining experience in this respect at selected units, so as to speed up agricultural development and thereby promote overall reform in the province, which in turn will spur the development of the national economy to a faster pace.

The meeting was presided over by Wang Guangyu, secretary of the provincial party committee. Acting First Secretary Zhou Zijian addressed the meeting. Attending ~~were~~ prefectural and city party committee secretaries in charge of agriculture, responsible persons of county party committees and suburban areas and responsible persons of departments under the provincial government.

At the meeting, a responsible person of the Fengyang County CPC Committee delivered a report on the county's experience in restructuring its communes; the Changfeng and Hanshan County CPC Committees delivered reports respectively, noting that structural reform is being carried out, on an experimental basis, at the (Wushan) and (Qingqi) communes.

After discussion, the meeting worked out a plan for further carrying out experiments in restructuring the commune system. The meeting held that reforming the commune system by separating government administration from commune management and establishing township governments is an objective necessity and a further development of reform on the agricultural front. In order to ensure that structural reform will proceed in a systematic way, the meeting decided that reform will be carried out at some ~~experimental~~ units and will then be gradually expanded following the completion of the reform of the commune system in Fengyang County. Attention is now being focused on 14 other counties. Other counties should also carry out this reform at a few selected communes suitable for experiment. Efforts should be made to conclude the experiments before the busy spring farming season sets in. Results should be summed up in May or June. In the second half of the year, reform should be expanded, under guidance and in a planned way, and should be basically completed by the end of this year. The structural reform should proceed in two steps: first, party, government and enterprises should be separated with the formation of township party committees, township governments through elections and with the people's commune serving as an economic organization; second, the newly restructured organizations should be gradually improved and perfected.

After discussion, the meeting proposed an initial plan for reforming the commune ~~system~~. Based on the practical experience of Fengyang and other counties, township party committees and township governments should be formed from the existing communes. After the formation of these organizations, work responsibilities must be clearly divided. The establishment of organizations in charge of economic work should be determined by the masses and cadres in accordance with the needs of economic development. Different forms of these organizations should be allowed in different areas, as it is not necessary to adhere to uniformity in this respect.

The meeting stressed that, as reform of the commune system deals with a wide range of matters, involves the implementation of policies and has many contradictions, party committees at all levels must effectively strengthen leadership over this work at the various experimental units, with their principal leaders assuming personal responsibility. Various units concerned should dispatch personnel with professional knowledge, emancipated minds and ability to create new things and new situations to participate in this work.

Cadres should be organized to study relevant documents and to do propaganda work by explaining to the masses the importance and necessity of reforming the commune system and by making them understand that reforming the system of combining government administration with commune management is not aimed at reforming the responsibility system of concluding production contracts with commune households. In carrying out structural reform, it is necessary to protect public property, and no one is permitted to destroy or divide it for private use. That is to say, reform should be carried out in an orderly manner. At the same time, leading bodies meeting the needs of the four modernizations should be filled with cadres who have been selected through careful evaluation. Attention should be paid to simplifying organizations and to gradually freeing peasants from unreasonable burdens.

As for the reform of the supply and marketing cooperatives and other economic reforms, such as the streamlining of enterprises run by communes and their subdivisions, they may be carried out simultaneously with the structural reform of the commune system in areas where conditions permit. Various areas should divide their leading bodies into two groups for taking care of production on the one hand and of reform on the other, and should strive to promote production and other fields of work through reform.

#### JIANGXI'S BAI DONGCAI AT NANCHANG TREE PLANTING

OW230245 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 19 Feb 83

[Excerpts] The leading party, government and army comrades in Jiangxi Province and Nanchang City went to scenic spots near the (Xinjiang) Lake in Nanchang this morning to plant trees and make the surrounding areas green.

Those participating in tree planting included leading comrades of the provincial CPC Committee Bai Dongcai, Xu Qin, Zhao Zengyi, Wang Shufeng, Xin Junjie, Zhao Zhijian, (Li Xianze), and (Pei Dean); leading comrade of the Standing Committee of the provincial People's Congress Zhang Yuqing; leading comrades of the provincial People's Government (Liu Ping), Zhang Guozhen, Zheng Xiaoxian, and (Xu Shaolin); leading comrades of the provincial CPPCC Committee (Jiang Hanqing) and Liu Jianhua; leading comrades of the provincial Military District (Song Zhangkeng), (Lu Huiyang), (Xu Peng), Wang Zhenting, (Chen Yi), (Wang Yiping), (Zhang Yongkang), (Gu Yaojin) and (Zhou Hua); leading comrades of the Nanchang Army Academy (Li Zhongmin), (Chen Wujin), (Hou Guoqi), (Xu Guangqi) and (Li Guyuan); leading comrades of the city of Nanchang (Zhang Wanghai), (Zhu Zhongqing), (Yang Jingzhen), (Wan Haiping), (Fang Kui), (Zhang Fusheng), (Zhao Ming) and (Yao Shudong); leading comrade of the Nanchang Military Subdistrict (Han Bingxue); and the responsible comrades of various departments, commissions and general offices as well as party and government cadres totaling some 1,500 people.

After the trees were planted, Bai Dongcai, Xu Qin, Zhao Zengyi, Wang Shufeng and other comrades listened to a briefing by the Nanchang City command on transforming the (Xinjiang) Lake. They also asked questions with regard to the progress of the lake transformation engineering project.

#### BEIJING REVIEW EXAMINES SHANDONG FAMILY PLANNING

HK231556 Beijing BEIJING REVIEW in English No 7, 14 Feb 83 pp 24-26

[Article by "our correspondent" Yang Xiaobing, from the special feature entitled "Controlling Population Growth": "Planned Parenthood, Shandong Style"]

[Text] If Confucius and Mencius were still with us, they might well be exhilarated, or at least amazed, to see that today, more than 2,000 years later, their many philosophical dogmas, though in the process of fading away, still affect quite a number of people in their native place, the east Chinese province of Shandong.

Mencius would be the happier, because his doctrine that a woman's failure to produce male offspring is the greatest filial impiety has earned him quite an impressive pious following.

Shandong is already crowded with 74.84 million inhabitants, averaging 493 per square kilometre, yet many people still fondly dream of having more children and grandchildren. They think that a roomful of kids would not only bring good luck but also show that a family was worthy of its ancestors. This, again, is attributable to Mencius.

These traditional concepts, however, are being gradually replaced by the new idea of "one couple, one child." If a substantial portion complies with this call, part of the ongoing efforts to publicize planned parenthood, it will eventually help slow the national population growth.

China's knottiest family planning work is in the countryside. But Shandong, with over 80 percent of its population in the rural areas, has become one of the nation's most successful provinces in this field.

#### Achievements

In the last 12 years, the province has reduced the number of new births by 9 million compared with the birth rate of 1970, the year the work to popularize planned parenthood began. Of the 1.3 million babies born last year, 81 percent were first births.

Despite a nationwide baby boom in the last few years, the province has kept its birth rate below 12 per thousand required by the state.

#### The Key

Shandong's success stems from the meticulous and systematic guidance provided by the provincial party committee, according to Ding Fangming, the provincial deputy governor.

Organization. Like others established a complete network of functioning agencies to lead the family planning work.

Leading groups composed of those in charge of family planning, health care, women's work and publicity work have been set up within the party from the provincial committee to grass-roots branches, with main responsible members serving as group leaders.

On the government side, there are family planning bureaus at the provincial, prefectural and county levels, which are aided by planned parenthood offices in the communes as well as production brigade and team leaders. This extensive network has ensured the implementation of state family planning policies and plans.

Principle. China's family planning work is guided by the principle of supplementing ideological education with administrative measures, contraception with abortion, and day-to-day work with occasional full-scale publicity campaigns.

Much attention has been paid to disseminating theoretical knowledge. Mathematics is employed in the various localities to convince the masses of the relationship between population growth on the one hand and economic development and living standard on the other. For example, in the early 1950s, each person in Shandong had an average of 2.88 mu of farmland (one mu equals one-fifteenth of a hectare). However, overly rapid population growth has reduced the figure to 1.48 mu per capita. The result is that in the last three decades, the peasants' livelihood has not improved as it should have despite burgeoning development in farm production.

When they are convinced that more children do not bring good fortune but instead more mouths to feed, the masses become more co-operative in family planning.

Birth control information is widely disseminated to help couples of child-bearing age to choose the appropriate method and use it effectively. Contraceptives are issued on a regular basis, and medical departments gave regular checkups on the implementation of contraception. Abortion, which causes pain and financial losses, is the last measure taken.

Family planning work is now high on the agenda of party and government organizations at every level. They often sum up experiences in implementing related state principles and policies, hold mass meetings to commend those who have played an exemplary role in planned parenthood work, and give more publicity to this endeavour.

The press as well as local blackboard "newspapers" are also rallied in the publicity work. Public address stations, perhaps the most powerful opinion moulders in the villages, put family planning on top of their programming, broadcasting related articles during meal-time so that they will reach all ears.

Professional and amateur actors and actresses have also helped in this endeavour. They have performed a rich repertoire of dramas, plays, singing and dancing, ballads and other forms loved by local people to eulogize those who do a good job in the work to popularize planned parenthood and criticize those who have upset state population plans.

But the most practical and most effective method is for cadres to visit the peasant families and have heart-to-heart talks with them.

Double-contracting system. The responsibility system in farm production which emerged in recent years is now followed by the adoption of a "double-contracting" system, whereby a peasant is required to sign two contracts with the production team, one for grain output and the other for family planning.

As an economic incentive for family planning, this system has been instituted in 70 percent of the counties in Shandong. Other counties are following suit.

Family planning and production planning are both major tasks for leading groups at various levels. Leaders of a locality or an organization which do a sloppy job in family planning will be criticized by the higher leadership; those involved will have their bonuses docked and will not be commended as advanced workers, even if they excel in their professional work. Those who do a good job in family planning will be awarded.

A commune member is awarded and accorded preferential treatment if he fulfils his contracted responsibility in both farm production and family planning. He who fails will be penalized according to the contracts. Those who refuse to comply with family planning are not entitled to sign contracts for farm production.

Before the double-contracting system, people pursued production single-mindedly and neglected population control. But the situation has changed. In Heze and Lingxian Counties, for example, the peasants have vastly augmented their earnings by developing production while keeping natural population growth rate below 10 per thousands.

#### Problems

"Population growth in this province has only just been brought under control," said Deputy Governor Ding. "We still have problems that we should not overlook. If we slacken our effort in the least, the growth rate will turn up again."

At the provincial level, several training classes have been held for cadres in charge of family planning work. But at the grass-roots level, some cadres still resort to administrative orders and economic measures.

"Lack of funds" is another complaint often heard among family planning workers.

"We are reluctant to ask for funds because we know the state has financial difficulties," they said. "But this does make things tough for us."

The low quality and shortage of contraceptives pose one more practical problem that needs to be solved without delay.

But we are fortunate in that our government has defined its population policy, said the deputy governor. Thus we can continue our effort to popularize family planning among the people and firmly rely on the help from all walks of life.

Population in Shandong

Year	Births (10,000)	Natural Growth Rate (percent)	Year-end Total Population (10,000)	First Births (percent)
1970	216	26.60	6442	
1972	181	19.94	6683	
1975	149	14.03	6971	
1977	120	9.72	7099	
1978	119	10.27	7160	
1979	122	10.79	7232	
1980	111	8.67	7296	66.1
1981	121	10.07	7395	72
1982*	130	12	7484	81

\*The 1982 figure was estimated in the middle of the year.

SHANGHAI URGES STUDY OF WANG HESHOU REPORT

OW230640 Shanghai City Service in Mandarin 2300 GMT 19 Feb 83

[Text] The Shanghai Municipal CPC Committee held an enlarged meeting of its Standing Committee members yesterday afternoon to convey and discuss the guidelines set forth by the second plenary session of the Central Commission for Discipline Inspection. During the meeting, Wang Yaoshan, a leading member of the municipal Discipline Inspection Commission preparatory group, read the full text of the work report entitled "Bring About a Fundamental Improvement in Party Style as Rapidly as Possible" made by Wang Heshou, secretary of the Standing Committee of the Central Commission for Discipline Inspection, at its second plenary session.

The municipal party committee maintained that the second plenary session of the Central Commission for Discipline Inspection was an extremely important meeting, and that, in addition to bringing about a fundamental improvement in party style as quickly as possible, the purpose of implementing the guidelines set forth by the meeting is to be prepared both ideologically and organizationally for this winter's party consolidation.

The municipal party committee has also issued a circular with regard to studying the guidelines set forth by the meeting. In that circular, the municipal party committee urges all party members and party cadres to understand the essence of the report and present their opinions on how the guidelines in the report can be applied in dealing with the problems in their units.

In accordance with the requirements set by the Central Committee and in light of Shanghai's actual situation, the municipal Discipline Inspection Commission preparatory group has drafted a plan on implementing the guidelines of the second plenary session of the Central Commission for Discipline Inspection. The plan will become effective after it has been discussed by the municipal party committee. The municipal party committee hopes that party committees at all levels will regard the study and implementation of the guidelines as an important matter.

In its circular issued on 18 February, the Shanghai Municipal CPC Committee urges the party committees and leading party groups of all districts, counties and bureaus as well as all departments, committees and offices immediately to organize their party members and party cadres, particularly the leading cadres, to study the work report adopted by the second plenary session of the Central Commission for Discipline Inspection, and the CPC Central Committee's note for the report as well as the documents adopted by the 12th party congress.

The circular says that, after acquiring a preliminary understanding of the guidelines of the report, all party cadres, particularly the leading cadres of all districts, counties, departments, committees and offices, must examine the actual situation in their units and areas in light of the report, make achievements, combat shortcomings, correct mistakes and present their opinions on how the guidelines can be implemented.

The circular adds that the municipal party committee will present another plan on implementing the guidelines set forth by the second plenary session of the Central Commission for Discipline Inspection.

#### SHANGHAI SENDS POLICE CADRES TO HELP REFORM

OW221227 Shanghai City Service in Mandarin 2300 GMT 20 Feb 83

[Text] The leading party group of the Shanghai Municipal Public Security Bureau has dispatched 201 police cadres to help reform in four reform through labor and education farms in southern Anhui and north Jiangsu. Prior to their departure, this group of police cadres earnestly studied the documents of the 12th CPC National Congress, the new Constitution and other pertinent policies and decrees.

Yang Di, Shanghai vice mayor and concurrently director of the municipal Public Security Bureau; and (Zhao Wenqing), deputy director of the municipal Public Security Bureau, briefed and lectured the police cadres. The more than 200 police cadres pledged to do their best to effect reform in reform through labor and education units within 1 or 2 years.

ZHEJIANG'S CHEN ZUOLIN ON RURAL REFORMS

HK240354 Beijing RENMIN RIBAO in Chinese 21 Feb 83 p 2

[Report by Jin Yukun and Ma Li: "Chen Zuolin, Secretary of Zhejiang Provincial CPC Committee, Stresses Need To Continue Eliminating 'Leftist' Ideas on Rural Reforms"]

[Text] Chen Zuolin, secretary of the Zhejiang Provincial CPC Committee, said that many "leftist" ideas on the problem of the responsibility system in agricultural production have been eliminated in the province, but it cannot be said that all have been eradicated. Various reforms will be needed in rural areas in the future, and the continuous elimination of "leftist" ideas will still be one of the important tasks of rural work in the future.

At a recent work conference of the Zhejiang Provincial CPC Committee, Chen Zuolin delivered a speech on agricultural problems. In his speech, Chen Zuolin pointed out that by the end of December last year, over 90 percent of the production teams in the province had carried out the system of households assuming full responsibilities for task completion, the system of fixing output quotas based on households, and the system of assuming responsibilities with production linked to labor. Various kinds of systems of contracted responsibilities with payment linked to output have also been carried out in many other areas. Zhejiang has taken a roundabout course in implementing the system of contracted responsibilities with payment linked to output. Previously, we treated the system of fixing output quotas based on households as a question of orientation, stressing that due to the relatively consolidated collective economy in most communes, brigades and production teams, it was not necessary to promote the system of fixing output quotas based on households in the province, except for some "three-depending" areas, thus resulting in "conflicts" with the masses. It was not until August last year that the system of contracted responsibilities on an agricultural household basis, with payment linked to output, was affirmed and began to be generally promoted in the whole of the province including some economically developed areas.

Chen Zuolin said: There are two bitter lessons we can draw from this problem.

First, we have not yet thoroughly rid ourselves of the "leftist" trammels, which are significantly shown on the following three problems: 1) We have treated "three-level ownership with the production team as the basic accounting unit" as the only pattern of socialist collective economy. 2) We have treated concentrated labor and the distribution according to work days as the basic characteristic of the collective economy. 3) We have equated household business operation with small-scale peasant economy.

Second, we must truly respect the initiative of the masses. In the past we failed to pay due respect to the initiative of masses and always thought of bringing the practice of the masses into our orbit.

Chen Zuolin said that the main problem we now face is that quite a few comrades fall short of the development of the times, and our work in many fields does not meet the needs of the overall development of agriculture. All this requires that we must correct our ideological line, dare to shake off the trammels of the "leftist" ideology, strive to absorb fresh air from the masses and adapt our own ideology to the change and demands of the situation.

BEIJING ISSUES CIRCULAR ON COMMERCIAL REFORMS

OW230627 Beijing XINHUA Domestic Service in Chinese 1503 GMT 20 Feb 83

[By reporter Guo Yourui]

[Text] Beijing, 20 Feb (XINHUA) -- The Beijing Municipal CPC Committee and the municipal People's Government today issued a circular to the entire municipality on consolidating and perfecting the responsibility system for operation and management in commerce and the service trades, calling on units adopting the operation and management responsibility system to really take into consideration the interests of the state, the enterprise, the individual workers and staff members, and the consumers, conscientiously implement state policies and ensure the smooth progress of reform.

The circular says: At present, Beijing Municipality is developing the operation and management responsibility system in retail business and service trades. On the basis of experiments carried out in Qianmen and Xidan Streets and in various districts, counties and bureaus, the work is being expanded throughout the entire areas by stages, in groups, with leadership and step by step. The reform has achieved initial results in eliminating the malpractices of "everyone eating out of the same big pot" and "holding an iron rice bowl," bringing into full play the initiative of enterprises and workers and staff members, improving and enlivening commercial work, overcoming the signs of poor service quality and providing better services for the people. The reform looks good. In order to constantly consolidate and perfect the operation and management responsibility system, the circular puts forward the following eight points:

1. Commercial reform must keep to the socialist orientation for business operations and provide better service to the people. All the contracting units should strive to enhance economic results and increase enterprise profits by means of improving operation and management, reducing circulation costs, speeding up capital turnover, running stores industriously and thrifitly, and so forth. The retaining of funds for various purposes by the enterprises must be in accordance with regulations. It is absolutely impermissible to infringe on the interests of consumers or illegally shift burdens to the masses.
2. Units operating under contracts must clearly define their scopes of operation based on trades, areas and the masses' needs and should engage mainly in one trade while doing other things at the same time. Each enterprise or store counter or section must have a list of commodities which they must handle for easy checking and inspection. Small commodities which are necessities in the daily life of the masses can only be increased, not reduced. When readjustments are necessary because of changes in supply sources or in division of labor in lines of operations, prior examination and approval must be obtained from relevant higher units and industrial and commercial administrative departments.
3. The price policy must be conscientiously implemented, and the "Provisional Regulations on Price Controls" issued by the State Council must be strictly followed. No contracting unit is allowed to give short measures, substitute inferior commodities for good ones, mix or adulterate goods or hike prices in a disguised way. The food and drink, clothing, repair and other trades must follow regulations governing gross profit rates, grades and standard charges in charging their customers. Units or individuals who have violated price policies, depending on the seriousness of each case, will be fined, have their illegal income confiscated, or have a specific proportion of the enterprise's bonus and a part of the standard wages of the responsible persons withheld.
4. Units operating under contracts should make constant efforts to improve, consolidate and develop the existing items and forms of services which are welcomed by the masses and measures for the convenience of the people and may not reduce or eliminate such services and measures without authorization under any pretext.

5. In the distribution of bonuses, it is necessary to look ahead and behind, store up in fat years to make up for lean ones, proportionally set aside sufficient reserve welfare funds, and oppose dividing and eating up everything. Bonuses for individual workers and staff members may be predistributed month by month, with accounts settled at the end of each year.

6. Contracts should be as comprehensive as possible in content. They should include norms for profit, variety and so forth, as well as quality standards for services to fully embody the integration and unity of responsibilities, rights and profits. All provisions and rules governing rewards and penalties must be clearly defined and specific to facilitate examination and inspection.

7. It is necessary to adopt different ways to constantly and extensively listen to the masses' opinions and make improvements promptly. Industrial, commercial, finance, tax and price control departments should strengthen supervision and inspection.

8. In promoting the operation and management responsibility system, it is necessary to vigorously strengthen ideological and political work among workers and staff members. It is necessary to vigorously publicize the necessity of the reform and strengthen confidence and determination in carrying out the reform. It is necessary to educate workers and staff members to adhere to the socialist orientation, uphold the fundamental principle of serving the people, strictly observe and implement the policies, laws and decrees of the state, and correctly handle the relations between the state, the enterprise, the individual and the consumer.

#### BEIJING MUNICIPALITY DISCUSSES PROPAGANDA WORK

HK210954 Beijing BEIJING RIBAO in Chinese 11 Feb 83 p 1

[Unattributed report: "Beijing Municipal Propaganda Work Conference Calls for Intensive Study, Publicity and Implementation of the 12th Party Congress Spirit and Stresses Four Tasks in Propaganda Work This Year"]

[Text] The Beijing municipal propaganda work conference pointed out that the core of the 1983 propaganda work was to intensively study, publicize and implement the guidelines of the 12th party congress and to concentrate on doing a good job in the following four tasks: 1) publicize the significance, aims and principles of reform; 2) publicize the significance of attaching importance to knowledge and the intellectuals; 3) step up education in patriotism and communism; and 4) step up education among party members.

The conference held that publicizing reform constitutes an important task in the current propaganda work. It is also a long-term task. With respect to some theoretical and ideological issues related to policies which have emerged or may possibly emerge in the course of reform, it is necessary to publicize and explain them by applying the scientific socialist theory and integrating theory with practice. For this purpose it is necessary to organize both cadres and masses to study the guidelines of important speeches of central leading comrades on the four modernizations program and reform, and to assume a correct attitude toward the guiding ideology in order to ensure the resolute and orderly development of various reforms.

In publicizing reform it is necessary to understand and be familiar with the reform. The conference asked relevant comrades from the rural areas and the industrial and commercial departments in this municipality to brief the participants on the reform conditions and the problems encountered, as well as their tentative plans for further reform, thus giving them great enlightenment.

The reform of propaganda work constitutes a new problem. The work had just started, but the participants strongly felt the necessity for reform. For a considerably long period in the past propaganda work had been carried out under the slogan of taking class struggle as the key link. Consequently, the content and forms of propaganda work inevitably carried with it the characteristics of that situation. Now, we should primarily handle the contradictions among the people and engage in building socialist material and spiritual civilization. Changes in tasks have made it necessary to change the content and forms of propaganda work accordingly. Hence, the need for reform.

Municipal CPC Committee Secretary Chen Xitong spoke at the conference. First of all, he affirmed the great achievements scored in the past few years. He called on party committees at various levels to attach importance to and do a good job of propaganda work and to pay attention to solving practical problems in the course of propaganda work and among cadres doing propaganda work. He also gave the propaganda departments and cadres the tasks of studying and solving new problems in light of the actual situation in the reform in the municipality. He called on party propaganda cadres at various levels to go deep into the realities of life, conduct investigation and study, strengthen ideological and political work in the course of reform and be promoters of reform. At the conference, Xu Weichang, member of the Standing Committee of the municipal CPC Committee and head of its Propaganda Department, summed up the 1982 propaganda work and further discussed the new situation and tasks on the current ideological front and the problems of reform in propaganda work. Zhang Dazhong and Jia Chunwang, members of the Standing Committee of the municipal CPC Committee, made arrangements for the courtesy and civility month drive to be launched in March this year.

#### SUBURBAN BEIJING PEASANTS' INCOME INCREASES

OW230852 Beijing XINHUA in English 0741 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- Results of the year-end distribution indicate that peasants living in and around the Chinese capital earned an average of 288 yuan (RMB) in net income from the collective last year -- 58 yuan, or 25.2 percent over 1981 -- according to today's BEIJING DAILY. This figure, added to the cash income from household side-occupations enabled peasants to earn an average of 354 yuan last year, the highest total since the new incentive-based rural economic policies were put into practice after 1978, the paper said. For example, peasants in Haidian district, chief vegetable growing area in Beijing, each received 583 yuan from the collective, finishing first among vegetable growers in the suburban areas. As a result of the increased income, the number of poor production teams with an average per capita income less than 80 yuan was reduced by 64.4 percent, and the number of "wealthy" production teams with an average net income surpassing 300 yuan has reached 2,025 -- nearly double that of 1981, the paper said. The final year-end figures also indicate that the increase in income was widespread in Beijing's suburban areas, involving all the 10 counties and their sub-divisions, the paper added.

Another feature reflected by the year-end distribution was that while the rural areas had supplied more agricultural and side-line produce to Beijing's market, they had also turned over 25 percent more in taxes to the state -- paid at the same rate as last year -- compared with 1981. They reported increases in collective accumulation of 16.8 percent, resulting in benefits for the state, the collectives and the peasants, the paper said.

Prior to Spring Festival, Beijing's peasants had cash in hand of 100 million yuan more than 1981. They took an active part in bank saving.

With more money in hand, the peasants are expected to buy more chemical fertilizers and farm machines and tools and consumer goods.

ZHANG DAZHONG ADDRESSES BEIJING ETHICS RALLY

OW231430 Beijing XINHUA in English 1144 GMT 23 Feb 83

[Text] Beijing, February 23 (XINHUA) -- The city construction and management departments will focus this year on transforming 10-kilometer-long Changan Street -- the main thoroughfare in the capital -- into a model of sanitation and good traffic order. This pledge came here today in a speech by Zhang Dazhong, secretary-general of the Beijing Municipal Committee of the Chinese Communist Party, at a rally mobilizing citizens to join the socialist ethics campaign. The drive aims at fostering good manners, mutual help, civic duty and sanitation. Today's kickoff rally was held in the Great Hall of the People, and was attended by Jiao Ruoyu, mayor of Beijing, and more than 6,000 representatives from various walks of life.

Last year, the capital launched a similar drive, centering on improving the environment, traffic order and trade service, with millions of residents taking part.

Speaking on behalf of the municipal party committee and People's Government, Zhang Dazhong said that Beijing will in this year carry out the campaign under the general slogan of "five stresses, four points of beauty and three love's." (That is, stress on decorum, manners, hygiene, discipline and morals; beauty of the mind, language, behavior and the environment; and love for the party, the motherland and socialism.)

He said that more trees, grass and flowers will be planted along the Changan Street so as to keep it green all the year round. Other measures listed include:

-- Education of children and young people in high ideals and morality, education in discipline, the legal system and democracy, and education in an aesthetic way of life;

-- An emulation drive for better service to be held among service and commercial workers, medical personnel and policemen;

-- Overall efforts to improve the sanitation, service and order of 100 streets and 10 railway stations and parks;

-- The dredging of waterways, addition of sewage pipelines and intensified combat against water pollution;

-- The mobilizing of people to plant more trees, grass and flowers to beautify streets, schools, factories, institutions and residence areas;

-- Expansion of 10 cultural centers and libraries and establishment of 2,000 clubs in suburban and rural areas; healthy cultural and recreation activities, including group dance, are encouraged; and

-- The planning and construction of heating and power plants and gasworks, in order to shift in a step-by-step way the situation in which residents use coal as their main fuel in daily life, thus causing air pollution. Efforts will also be made to separate organic waste from the inorganic garbage so as to use the former as fertilizer in the countryside and reduce pollution.

Zhang Dazhong said that this March 5 will mark the 20th anniversary of the issuance of the inscription by Mao Zedong calling on citizens to learn from Lei Feng, a well-known Chinese soldier who devoted his life to serving the people. A series of activities will be held in the month to rekindle the spirit of serving the people, he said, including organizing youth and teenagers to do good deeds for soldiers' families, revolutionary martyrs' families and veteran intellectuals, and encouraging educated people to devote their knowledge to other people.

He said great achievements were recorded in last year's activities of socialist ethics. They included the dropping of the number of traffic accidents, criminal cases and of the density of flies and mosquitoes.

At today's rally, 115 work units were named "pace setter collectives of socialist ethics," and more than 900 units were praised by name.

#### HEBEI COUNTY OFFICIALS PUNISHED FOR MISDEEDS

OW221123 Beijing XINHUA Domestic Service in Chinese 0713 GMT 20 Feb 83

[Report by XINHUA correspondent Tan Feng]

[Text] Shijiazhuang, 20 Feb (XINHUA) -- Wu Zhenyou, secretary of the Chongli County CPC Committee in Hebei Province, recently received a warning from the party for tolerating the illegal change of rural to nonrural household registration, and Du Huazhong, deputy secretary of the county party committee, was removed from his party post for participating in such activities.

In the past 2 years, some leading cadres, party members, workers and staff members in Chongli County have used illegal means to change the rural household registration of their dependents, children, relatives and friends in other areas to nonrural household registration. It has been proved, through investigation, that from January 1980 to November 1981, 55 persons in the county managed to obtain, from 27 cities and counties (banners) in Nei Monggol, Xinjiang and Hebei, 105 certificates for a change of domicile, and 85 certificates for transfer of urban food rations, with which 623 persons had their rural household registration changed to nonrural.

Wu Zhenyou, secretary of the county party committee, did not criticize a number of bureau-level cadres for participating in such activities or stop them from doing so, although he was fully aware that it was wrong, for fear of giving offense to them. As a result, this unhealthy trend spread throughout the county.

Du Huazhong, deputy secretary of the county party committee, privately had the rural household registration of two children of a person maintaining an under-the-table relationship with him changed to nonrural household registration in 1977. When the county party committee decided to freeze the change of rural to nonrural household registration and cancel such changes already made, he approved the illegal change of four persons' domiciles to another area.

#### HEBEI'S GAO YANG STRESSES EDUCATIONAL IMPROVEMENTS

HK231344 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 6 Feb 83

[Text] While provincial CPC Committee First Secretary Gao Yang was recently inspecting the educational situation of middle and primary schools in Huailu County, he repeatedly stressed that the standards of school premises must be heightened and the teachers must be respected.

In Huailu County, Comrade Gao Yang visited the Huailu County Middle School, the Chengzhen Middle School and the Chengzhen First Street Primary School. At the Chengzhen Middle School, he heard that the big three-storey building was built with 260,000 yuan which had been raised by a commune itself. He praised this again and again.

Comrades of the country Culture and Education Bureau reported that some rich communes and brigades have offered high pay to engage elderly teachers with relatively good teaching ability to teach in this county. Comrade Gao Yang praised this, nodding and saying that this method is very good. Rich communes and brigades must also be allowed to become civilized first.

On arrived at the Huailu County Middle School, as soon as Comrade Gao Yang alighted from a car, he first asked leaders of the school about the livelihood of the teachers and students and how much the monthly living expenses of the students are. Later, he inspected classrooms, the laboratory, library and reading rooms in the teaching zone. Comrade Gao Yang said that in the 10 years of internal disorder, waste was a common phenomenon in many areas but economy was practiced only in the educational cause. This was very incorrect. Now, we want all walks of life and trade to practice economy and to vigorously support the educational cause.

When some teachers reported to Comrade Gao Yang that the most dilapidated houses in many grassroots communes and brigades are now school premises and that the teachers' status is the lowest, Comrade Gao Yang said with emotion that we must vigorously change this situation. The standards of school premises must be heightened and the teachers must be respected.

#### SHANXI PEOPLE'S CONGRESS HOLDS 19TH MEETING

HK230350 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 22 Feb 83

[Excerpt] Yesterday, the Shanxi Provincial People's Congress Standing Committee held its 19th enlarged meeting. Some 34 people, including Ruan Bosheng, chairman of the Standing Committee, vice chairmen and all members attended the meeting. Vice Chairman Shi Jiyan presided over the meeting.

The meeting listened to and discussed a report by Vice Chairman Jiao Guonai on the number of deputies to the sixth provincial People's Congress and preparations for the election, and a report by Zhao Jun, provincial vice governor and director of the provincial Family Planning Committee, on family planning propaganda month activities.

#### TIANJIN URGES WORK REFORM OF PUBLIC SECURITY

SK301318 Tianjin City Service in Mandarin 0030 GMT 30 Jan 83

[Text] On 26 January the Political and Judicial Committee under the municipal CPC Committee sponsored a forum with the participation of responsible comrades from the municipal organs of public security, procuratorates, courts, judiciary and civil affairs to study Comrade Hu Yaobang's speech on the program of achieving the four modernizations and on the reform of meeting the need of the program and to discuss the issues of reforming public security work.

At the forum, participants, bearing in mind the actual situation in political and judicial work, unanimously held: On the basis that public security work must be reformed, it is necessary to emancipate minds, eliminate the leftist influence, remove all out-of-date measures and work styles and resolutely conduct a reform in political and judicial work in an overall, systematic and orderly way.

Participating comrades pointed out: In reforming political and judicial work, it is imperative to carry out the reform under a clear-cut guiding ideology. At present, a fundamental change has taken place in the political situation of our country. The exploiting class as a class has been already abolished. Over 99 percent of the Chinese population belongs to the category of the people. The party's policies have been wholeheartedly welcomed by the people day after day. The number of counterrevolutionaries and elements who are hostile to socialism is gradually being reduced and the front on which they carry out activities is also gradually being narrowed. In conducting political and judicial work, particularly public security work, under these circumstances, apart from giving heavy punishment in a timely manner and according to the law to few serious criminals who are incorrigible, it is imperative to adopt measures to turn the emphasis of work from investigating and trying class enemies and antisocialist elements to enhancing the work of consolidating public security in a comprehensive way, and of giving a helping hand to or reforming misled people in order to prevent crimes. It is also imperative to turn emphasis from passive attitude toward maintaining social order to an active attitude toward consolidating public security.

In clarifying the importance of the reform and the guiding ideology, a large number of participating comrades also put forward initial suggestions for reforming political and judicial work, such as, according to the directive issued by the central authorities, doing a good job in readjusting and staffing leading bodies at all levels to meet the demand of having personnel who are revolutionaries, at the prime of their life, and who have fuller cultural and specialized knowledge. According to the principle of unifying official work, employing able personnel and upgrading work efficiency, efforts should be made to reform work systems, to simplify high echelons and to reinforce low echelons so as to improve the overstaffed phenomenon in high echelons and the shortage of personnel in low echelons. It is necessary to enact work contracting systems from the top to bottom so as to give full scope to the work enthusiasm of the broad masses of public security cadres and policemen and to thoroughly change the state of affairs in which there is no difference between more work and less work and between a good job and a bad job. Meanwhile, the concurrent reform of personnel affairs management should be carried out. Efforts should be made to improve work style. In this regard, leading personnel in public security departments at all levels should lead the broad masses of cadres and policemen to go out of their offices to go among the masses, youths and numerous households to carry out more work to conduct ideological guidance, to mediate disputes in a timely manner, and to transform misled people as soon as possible so as to create a new situation in public security work.

YANG YICHEN ADDRESSES HEILONGJIANG PARTY MEETING

SK230617 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 22 Feb 83

[Text] At the 21 February meeting of secretaries from various prefectoral and city CPC committees, the provincial CPC Committee relayed the circular issued by the central authorities on the disposition of the provincial party leading body.

Attending the meeting were secretaries of the provincial CPC Committee, including Li Lian, Chen Lei, Chen Junsheng and Hou Jie; and Standing Committee members including (Zhu Jianmin) and (Wang Yaochen). Standing Committee members of the provincial CPC Committee, including (Zhang Xianglin), Wang Fei, (Li Gensheng), (Jing Bowen), (Wang Yusheng) and Zhao Xingyuan, were on official leave. Attending the meeting and seated on the rostrum were Comrades Yang Yichen, Li Jianbai, Zhao Dezun, Wang Yilun, Wang Luming, Wang Zhao, Chen Yuanzhi and Xie Yunqing. Comrade Chen Jianfei was on leave of absence and Comrade Xiao Yizhou was on sick leave. Also attending the meeting were responsible cadres from the provincial People's Congress Standing Committee, the provincial People's Government, the provincial CPPCC Committee, the provincial Discipline Inspection Commission and from the provincial level organs at or above department and bureau level, including (Gong Benyuan), (Wang Lianzheng), (An Zhendong), (He Shoulun) and (Zhang Ling).

According to the introduction of the meeting, the four newly recruited Standing Committee members of the provincial CPC Committee are all college graduates and specialists. Of them, Comrade (Li Gensheng) is 52 years old, director of the Third Research Unit of the Seventh Research Institute under the China General Company of Ship Building Industry and the chief engineer and [words indistinct] of the company. Comrade (Jing Bowen) is 52 years old and vice president and instructor of the Harbin City University. Comrade (Zhu Jianmin) is 47 years old and assistant to the dean and associate professor of the Harbin City Shipping Engineering College. Comrade (Wang Yaochen) is 51 years old and associate professor and director of the scientific and technical section under the Harbin City Engineering University.

Comrade Yang Yichen first delivered a speech at the meeting in which he stated that our party is full of vitality and new successors. As soon as he witnessed the new force of the provincial CPC leading body, he was heartily happy. Through repeated discussions held over the past 2 days by all Standing Committee members, he found that all veteran comrades at the meeting had the same idea concerning the consolidation of leading bodies. He, a veteran cadre who has worked in our province for nearly 30 years, stated that he cherishes a deep affection for the broad masses of cadres and the people throughout the province and for every mountain, river and lake. Under the leadership of the provincial CPC leading body, he is full of confidence that he can better carry out the province's work. Our veteran comrades should wholeheartedly support the new leading body and do a good job in passing on experience, giving a helping hand and setting examples for new successors.

In his speech, Comrade Yang Yichen also put forward ardent demands for the new leading body. He stated: The provincial CPC leading body should closely follow the CPC Central Committee in maintaining unity and waging struggles and act in unison with the CPC Central Committee politically. This provincial party leading body has also inherited the fine tradition and work style initiated by Comrade Ouyang Chin who was in charge of the provincial party committee's work in the past. Hereafter, we must unite as one and make concerted efforts to do a good job in replacing old cadres with new ones and in maintaining cooperation between them. Efforts should be made to enhance revolutionary spirit, make progress by opening up new paths and continuously and unswervingly strive to wrest a new victory in creating a new situation in socialist modernization.

In his speech, Comrade Li Lian pointed out: The readjustment of the provincial party leading body resulted in fairly great changes among personnel.

In particular, the number of veteran comrades who have stepped down from their posts is relatively large; it can be regarded as the largest number -- in normal times -- since the founding of the provincial CPC Committee. He stated: The new provincial party leading body should act as before in high unison to promote policies set forth by the central authorities. It is necessary to exercise scientific leading methods by depending on the collective leadership of the Standing Committee. Efforts should be made to rely on the broad masses of cadres and the people, particularly on the assistance of veteran comrades. By depending on organizations, including the Advisory Commission, the People's Congress Standing Committee and the CPPCC Committee, efforts should be made to give full scope to the role of various organs and departments. Particularly, while making decisions on vital issues, it is necessary to regard the Advisory Commission as a powerful backing.

In his speech, Comrade Li Lian also reviewed the work done by the provincial party leading body over the past 5-odd years. He stated: Since the 3d Plenary Session of the 11th CPC Central Committee, the provincial CPC Committee has closely followed the strategic arrangements of the central authorities and earnestly implemented the line, principles and policies set forth by them. As a result various fronts across the province have scored fairly good achievements in work. Of course, the work done by the province is not completely perfect. Over the past 5-odd years the province has not made sufficient efforts in some work and has committed faults. Such a state of affairs existed in the past and could very possibly occur in the future. However, only by resolutely correcting mistakes as soon as they have been discovered can we better conduct our work. He stressed: Our new leading body must uphold the fine tradition developed in the past and follow and carry forward this tradition. Moreover, we must be determined to conduct reforms and to make progress by opening up new paths.

Comrade Chen Lei, secretary of the provincial CPC Committee and governor of the province, also delivered a speech at the meeting. In his speech he stressed that, according to the guiding ideology of the central authorities, a good job should be done in building the economy and conducting reforms, as well as in dealing well with the relationship between them.

During group discussions at the meeting participating comrades unanimously expressed warm support to the circular of the central authorities in regard to consolidating the provincial party leading body. They pledged to do a good job in conducting consolidation work of various fields, to consolidate the party's style, to strictly enforce the party's discipline and to earnestly engage in pilot work in the drive for party rectification so as prepare well for carrying out overall party rectification and for achieving a further turn for the better in the party's style, social morale and in public security.

#### HEILONGJIANG CPC LEADERS' ACTIVITIES REGULATED

SK241003 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Feb 83

[Text] Regulations set forth by the office of the provincial CPC Committee on arranging the attendance of leading comrades of the provincial CPC Committee at activities point out: Ordinary meetings attended by leading comrades of the provincial CPC Committee may not be reported in public. Activities attended by leading comrades, which must be publicly reported, can be reported in public with the approval of principal leading comrades of the provincial CPC Committee.

The regulations also point out: Do not arrange for leading comrades to attend a reception. Leading comrades of the provincial CPC Committee should not be allowed to hold receptions or take photographs at any meetings, except for representatives meetings, model workers' meetings and special meetings.

No welcome and send-off parties should be given to leading comrades of the provincial CPC Committee who are visiting other places. Going down to grassroots units to conduct investigation work, leading comrades should pay their food bills and food coupons in line with regulations and can not eat together with local leading comrades. Localities must not covertly have any parties for visiting leading comrades with public funds or send or sell local products and other commodities to them on the pretense of trial use.

Leading comrades should give a guarantee that their visiting activities will be simple and convenient.

Local responsible comrades may not accompany them unless necessary. Do not increase the number of persons at each level to accompany leading comrades, thereby guarding against crowding them with many attendants.

Arrange accommodations for visiting leading comrades in line with practical conditions. Do not move original guests in order to vacate their rooms for leading comrades. Mass and recreational activities arranged for leading comrades of the provincial CPC Committee should start on time. Driving cars, leading comrades should give precedence to others out of courtesy and thoughtfulness and should not honk their horns. On rainy days, they should pay attention not to splash rainwater on pedestrians.

Through a recent discussion and approval of the provincial CPC Committee Standing Committee, the regulations have been issued to lower levels for implementation.

#### HEILONGJIANG ARRESTS ECONOMIC CRIMINAL RECENTLY

SK191017 Harbin HEILONGJIANG RIBAO in Chinese 2 Feb 83 p 1

[ "Song Zhenye, Who Rose to Prominence by Rebellion, Arrested for Violating the Criminal Law" ]

[Text] With approval of the procuratorial organ, Song Zhenye, who rose to prominence by rebellion during the Great Cultural Revolution period, was recently arrested by the Harbin City Public Security Bureau for engaging in swindling, speculation and profiteering.

During the Great Cultural Revolution period, Song Zhenye had been a Standing Committee member and vice chairman of the Heilongjiang Provincial Revolutionary Committee and secretary and chairman of the provincial Physical Culture and Sports Commission. During his tenure in office, Song Zhenye not only committed political crime but also embezzled public funds and property worth over 1,500 yuan. In March 1980, he was removed from all his posts within and outside the party. Since May 1981, he has engaged in criminal activities of swindling, speculation and profiteering and received over 4,800 yuan in illegal gains.

#### HEILONGJIANG RIBAO EDITORIAL CALLS FOR REFORMS

SK231302 Harbin HEILONGJIANG RIBAO in Chinese 30 Jan 83 p 1

[Editorial: "An Irresistible Trend of Reform"]

[Text] A formidable trend of reform is surging forward irresistibly. Leaders at all levels, Communist Party members and all revolutionaries must stand in the forefront of the reform trend and participate in, support and guide reforms.

Reform is an extremely important guiding ideology leading us in the four modernizations which is advanced by our party for the new period after it has fulfilled the task of setting aright the guiding ideology that had been thrown into disorder. The reform is of great and far-reaching significance. By setting right things which had been thrown into disorder we have set the stage for modernization, and reform will certainly provide a reliable guarantee for the victory of modernization.

Reform means destroying the old and establishing the new. We must destroy the outdated conventions and styles which hamper our advance and study the new situation, solve new problems, develop new experience and work out new methods. We must absolutely rid ourselves of the outdated ideology which binds our hands and keeps us in a rut, which regards outdated conventions as sacred and inviolable orthodoxy, and refuses to study the new situation, develop new experience, accept new things, and even regards new ideas as heresy. We must not let it continue to imprison our minds and bind our hands and feet. As is shown by practice, some of those outdated conventions emerged and developed under erstwhile circumstances and are now very unfit for the changed situation; some others emerged under the influence of foreign models and are unfit for the domestic circumstances of our country; and still others are far removed from reality and go against the interests and wishes of the masses in the first place. Our Communist Party members and all other proletarian revolutionaries regard as our duty the transformation of the world. Revolutionaries of the older generation have shed their blood and sacrificed their lives one after another to transform the old China and establish New China. In building the four modernizations today, we must arouse ourselves for vigorous efforts to make progress. We must not cherish the outmoded and preserve the outworn, allowing them to adversely affect the great undertaking of centuries. Our thinking should advance along with the advance of the times; it also should develop along with the development of history. We should be willing to absorb all new ideas, new inventions and new experience that accord with the interests of the people and the requirements of the times; we should boldly discard all outdated conventions and styles that do not tally with the historic tasks and revolutionary practice. Reform is an **indispensable** moral character of a revolutionary. We should make active contributions to building socialism with Chinese characteristics and to the prosperity of the country as well as the happiness of the people.

The nationwide success of the reform in agriculture has already indicated a direction of the trend of reform for all professions and trade. Agriculture, industry, commerce, science and technology, culture, education, public health and all other fields and professions in our province should earnestly draw experience from the successful agricultural reform, rouse themselves to catch up and forge ahead.

#### JILIN'S GOVERNOR CRITICIZES MALPRACTICES

SK220334 Changchun Jilin Provincial Service in Mandarin 2200 GMT 21 Feb 83

[Text] According to XINHUA, Zhang Gensheng, secretary of the provincial CPC Committee and governor of the province, recently severely criticized some departments in our province for their practice of disputing over trifles and, thus, resolutely solved many problems demanding immediate solution in the development of cultural and physical training undertakings.

In February 1982 the province decided to build a theater, a museum with an art gallery, and an industrial and agricultural products sales-exhibition hall at the site of a former large building. Because the construction of these three projects had been undertaken by three departments, these three departments, over the past year, scrambled for construction floorspace, insisted on **the** fulfillment of certain conditions and refused to make concessions, thus blocking construction progress.

After hearing the report on this situation at a meeting in the governor's office, Zhang Gensheng seriously criticized such malpractices. He pointed out: This is an obstruction of the construction projects. The authorities had decided that the construction of these three projects should be developed in a reasonable manner in line with the unified plan and design of the provincial Cultural Department.

The next day, after the decision was adopted, the provincial departments concerned formulated some plans and attended to preparations for construction.

The Jilin provincial physical training and sports team urgently needed more living quarters and more hostels had to be built for the athletes of the special training courses offered by some universities and colleges. However, the departments concerned have refused to adopt decisions even after delaying for a long time on the excuse of lacking investment funds.

Zhang Gensheng pointed out: Our province's financial resources are indeed limited. But we should give consideration to the fact that more competent persons are needed for developing the four modernizations, and our financial resources should be properly utilized under unified plans and in order of importance and urgency. We should not neglect such problems and refuse to adopt decisions.

The departments concerned have received the criticisms of Zhang Gensheng and decided, through consultations, to reduce the investments in building living quarters for office cadres of the provincial CPC Committee and the provincial People's Government and use them to build a dormitory with a floorspace of 3,000 square meters for athletes. The planning and financial departments have decided to allocate another 1.5 million yuan of investments, in addition to the originally assigned 530,000 yuan, to build a dormitory for the athletes in special training courses.

#### LIAONING IMPLEMENTS ADMINISTRATIVE REFORM

HK190744 Beijing CHINA DAILY in English 19 Feb 83 p 4

[*"From HONGQI": "Urban-Rural Management Profitable to Both Sides"*]

[Text] A new administrative system, putting counties under the jurisdiction of large and medium-sized cities, has emerged in Liaoning Province, one of China's heavy industrial bases.

Thirty-three of the 48 counties in the province are under the administration of 10 big medium-sized cities. The rest have expressed their willingness to take part in the new system.

Liaoning Province has 106 cities and towns, including six cities with populations of more than 500,000. Forty-two percent of the province's population are in cities and towns compared with the national average of 20 percent.

The province has experimented with different forms of administration of counties, including direct leadership by provincial authorities, by the commissioner's office and by the city's executive.

During the First Five-Year Plan (1953-1957), Liaoning Province became China's heavy industrial base. In the past three decades, 1,600 industrial enterprises, including 400 major ones, have been established in the province. The industrial development has not only brought prosperity to the cities but also stimulated the rural economy. Therefore, the commissioner's office, which concentrates on agricultural production, was not suited to overseeing the development of both rural and urban economies.

The new administrative system has the following advantages:

Overall planning. The city, a centre of industry, science, culture and commerce, reaches out to surrounding areas. For example, Yingkou City, a light industrial centre, receives 70 percent of its raw materials from the countryside. Under the new administration, five bases have been set up in the region: marketable grain in the lower reaches of three rivers, forest and fruit in mountainous areas, cash crops in hilly areas, fisheries in coastal areas, and non-staple food in the suburbs of the city.

#### Advantages

-- Pooling the advantages of both rural and urban areas. The system helps bring into play the strong points of the two sectors: the city's technical know-how and financial resources and the countryside's food and raw materials.

Dandong City earmarked 6.65 million yuan to support agriculture in the 1979-1981 period. Four small chemical fertilizer plants expanded from an annual capacity of 8,000 tons to 40,000 tons.

Shenyang City, capital of the province, could not get enough vegetables a few years ago because they had to be brought in from various parts of the country. Now, the vegetable supply is guaranteed by the two counties under the city's direct administration. Last year, there was an average of 250 kilograms of vegetables for each urban resident. Supplies of meat, eggs and fruit have also improved.

-- Speeding the circulation of commodities. In the past, farm produce had to go from producers through rural collectors, county commercial departments, and, prefectoral commercial departments to city markets. Manufactured goods had to go through a similar process before reaching the rural market. Now, the city commercial departments can purchase farm produce directly from rural areas and send manufactured goods directly to the countryside.

-- Helping to boost the level of science, education, culture and public health in the countryside. Some cities have helped train teachers, rural doctors and cultural personnel.

-- Accelerating the development of towns. With city aid, some towns have built or revamped road, sewage and water systems, cinemas, post offices, banks, book stores and department stores.

-- Higher efficiency. Overlapping leadership and separate management of urban and rural areas have been eliminated.

GANSU ORGANIZES PROVINCIAL ARMED POLICE FORCE

HK210315 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 20 Feb 83

[Text] In accordance with a decision of the CPC Central Committee and the Central Military Commission, the internal security tasks being undertaken by the PLA in Gansu, together with the units carrying out these tasks, have been handed over to the public security departments and the former armed people's police, which have been reorganized into the Gansu force of the Chinese People's Armed Police Units. The reorganization has now been completed.

Handing over to the public security departments the PLA's internal security tasks and the units carrying out these tasks is an important content of structural reform in the public security departments. The provincial CPC Committee and People's Government, the Lanzhou PLA units and the provincial Military District have attached very great importance to this handover. In the course of carrying it out, the leaders at all levels of PLA units undertaking internal security tasks in the province carried out ideological mobilization for the commanders and fighters. They have spontaneously subordinated themselves to the party's needs, taken the overall situation into account, upheld the political situation of stability and unity, and solved many problems encountered in the spirit of seeking truth from facts, proceeding from reality, and uniting with, helping, and making allowances for each other. The task of establishing the new force had been completed by 1 January 1983, and the organizational task has now been basically completed.

In the wake of the organization of the provincial force, the organization of its detachments in the prefectures, cities and autonomous prefectures has been completed in some places and is now underway in others.

GANSU RIBAO REPORTS IMPROVED PUBLIC ORDER

HK231040 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 21 Feb 83

[Text] According to GANSU RIBAO, Lanzhou's public order has greatly improved since last winter. The statistics from last November to this January show that the average monthly rate of criminal cases fell by 46.5 percent over the corresponding period of 1980, and by 27.6 percent over the corresponding period of 1981, and the average monthly rate of public security cases fell respectively by 34.5 percent and 21.5 percent.

The main reasons for this improvement are:

1. The party and government departments at various levels have strengthened leadership and paid attention to comprehensive management. The Lanzhou City CPC Committee has held many meetings to discuss the problems in the comprehensive management of public order. (Wang Yaohua), first secretary of the city CPC Committee, and other leaders have personally presided over the meetings for responsible cadres from relevant departments to study the situation and work out concrete measures.
2. The patrolling of some major roads, areas and public places has been strengthened. At present, there are in this city more than 950 patrol and joint defense groups and teams, which consist of public security cadres, security personnel and militiamen.
3. Serious criminal activities have been cracked down upon according to law, which has played a good role in suppressing the criminals and inspiring the masses of people.

From last November to this January, 17 criminals surrendered to the police, 312 criminals made a clean breast of their crimes and 88 criminals were arrested through the efforts of the masses. In addition, 118 other cases have been exposed.

GANSU ISSUES MARKET CONTROL REGULATIONS

HK190234 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 18 Feb 83

[Excerpts] The provincial People's Government recently issued supplementary regulations on market controls in the province. The main contents of the regulations are as follows:

After peasant households have completed their state procurement quotas, they are allowed to market the grain, cotton and oil they produce. The supply and marketing departments are also allowed to transport these items within the province and engage in their purchase and sale at negotiated prices. Procurement quotas are to be set for pigs, eggs, cowhide, sheep- and goatskin, and wool, and also for cattle and sheep in the pastoral areas. Peasant households are allowed to market these items are fulfilling their procurement quotas.

Licensed individual traders and collective enterprises are allowed, within the scope permitted by the industry and commerce administrative departments, to engage in retail and wholesale sale of third-category agricultural and sideline products, first- and second-category agricultural and sideline products whose marketing is permitted after the fulfillment of procurement quotas, third-category industrial goods, and second-category industrial goods after state plans have been fulfilled.

Communes and brigades and licensed individual traders are allowed to band together to set up trading stations dealing mainly in agricultural sideline and indigenous products. They are also allowed to set up networks handling such products in the urban areas.

The opening up of special markets for coal from small mines is permitted. Such coal not covered by the state plans may be sold in the markets and also transported over long distances. Exploitation of small mines must be subordinate to the state's unified plans and be approved by the departments in charge.

Small commodity markets are to be revived and opened, based mainly on individual traders. State-owned and collective units can also take part.

SHAANXI'S MA WENRUI SPEAKS AT MEETING ON REFORMS

HK240404 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 23 Feb 83

[Excerpts] The Shaanxi Provincial CPC Committee held an enlarged Standing Committee meeting from 20 to 23 February to further study and discuss Comrade Hu Yaobang's recent important speech on the four modernizations and reforms delivered at the national conference on ideological and political work for staff and workers, and to focus on studying and arranging the province's current reform work. Present at the meeting were provincial CPC Committee Standing Committee members and advisers, vice governors concerned, and responsible comrades of departments and committees of the provincial CPC Committee and of all prefectural and city CPC committees, totaling 40 persons.

Comrade Ma Wenrui spoke at the conclusion of the meeting. He dwelt on three topics: 1) emancipate the mind, enhance understanding and be promoters of reform; 2) get a clear idea of the tasks and summon up resolve to do a good job in all reform work; 3) improve the work style, provide careful guidance, and ensure the healthy and smooth development of reform work.

On the first topic, Comrade Ma Wenrui pointed out: In recent years leading central comrades have repeatedly stressed that it is essential to carry out a whole series of reforms in order to build the four modernizations, which cannot be accomplished otherwise. In accordance with the central arrangements, Shaanxi, in common with the whole country, has also carried out a certain degree of reform work on the basis of bringing order out of chaos. A breeze of reform is now blowing. All fronts have worked up an excellent momentum of enthusiastic reform work.

However, our strides are not yet great enough compared with the demands of the party Central Committee and the requirement of developments. Many of our comrades lack sufficient understanding on this issue. They lack ample spiritual preparations and sense of urgency. Hence, further emancipating the mind of enhancing understanding is the key to success in reforms.

He said: Many of the economic patterns we started to implement in the 1950's were complete copies of those in foreign countries. Practice has proven that such patterns cannot embody very well the principle of distribution according to labor and are prone to lead to a situation of everybody eating out of the same big pot, with the enterprises lacking proper initiative and flexibility and the workers lacking proper enthusiasm and sense of responsibility. A number of lazy people and lazy enterprises are the inevitable results. The reason why the socialist economy lacks the proper vitality certainly does not lie in the public ownership system but mainly in the backwardness of management forms.

It is no easy task to reform management forms, rules and regulations to which people have become accustomed over many years. We must tackle the task with boldness and strong will and clear away all kinds of ideological obstacles, and especially the influence of leftist ideology. We should emancipate our minds a bit more and be a bit bolder in reform.

Beginning with the 3d Plenary Session of the 11th Central Committee, our party explicitly put forward the guiding principle of emancipating the mind. The main contents and aims of emancipating the mind in the previous few years were to bring order out of chaos, distinguish between right and wrong, sum up the experiences of history, and correct leftist errors. The aims and contents of emancipating the mind have now changed and developed somewhat. The main thing is to further eliminate leftist influence, get rid of old things and create new, destroy all kinds of old conventions, do a good job in reform, and create a new situation.

Of course, bringing order out of chaos also implied reform. However, generally speaking, at the time we were mainly bidding farewell to the erroneous things of the past and the things turned upside down by the gang of four. And today we are mainly bidding farewell to old things and to old conventions, frameworks, and work styles that do not suit the national condition and the development of the situation. If we say that bringing order out of chaos laid the precondition for the modernization drive, then reform -- that is, destroying the old and creating the new -- is sure to provide a reliable guarantee for victory in the modernization drive. Only by carrying out reforms can we produce results, speed, sources of revenue, talented people and spiritual civilization. As far as we Communists are concerned, our thinking must advance in the wake of the development of history. We must gladly accept all new ideas, creations and experiences that conform to the people's interests and the demands of the era.

On the second topic, Comrade Ma Wenrui said: Our general guideline in carrying out this reform is to proceed from reality and carry out reforms in an all-round, systematic, resolute and orderly way, under leadership and with plans. All fronts, areas, departments and units have to carry out reforms, study the new situations, solve the new problems, sum up new experiences and make new creations.

He said: At present, structural reform is the important cardinal link in all work. With this work done successfully, we can solve the present situation of too many layers, arguing back and forth, overstaffing, aging of cadres, and very low work efficiency, and provide strong and effective leadership groups and small but excellent administrative organs.

The structural reform of the party and government organs at the provincial level must be stepped up. Beginning in the second quarter, we must carry out structural reforms in groups and batches in the prefectures, cities and counties, and below county level. While carrying out this reform, a considerable number of old comrades will have to retire to the second line. We must make proper arrangements for them in a responsible way. At the same time we must boldly introduce to the leadership groups at all levels a large number of comrades in the prime of life with ability and political integrity, who dare to create new things, and who have educational standards of senior secondary school and especially of university and college levels and above. We demand that cadres with educational standards at and above senior secondary school account for not less than one-third of the members of the leadership groups at and above commune level, and not less than one-half of the members of leadership groups in large and medium cities, including large factories, mines and other enterprises. The proportion of members with university or college educational standards at and above county level should be a bit greater. We must work to realize these demands while completing the structural reform.

In carrying out the reform, we must take positive steps to reform the management setup of separation of urban from rural areas and departments from regions, and of multiheaded leadership. Xian, Baoji and Tongchuan Cities must further readjust their administrative zoning and carry out reforms to suit city leadership over counties. In the seven other prefectures we should act in light of local conditions; in some we should change prefectures into cities and institute city administration over counties; in some we should change the prefectoral party and government organs into agencies of the province [sheng de paichu jigou 4164 4104 3175 0427 2894 2845]. In places where there are many industrial and mining enterprises and a relatively high urban population, we can institute amalgamation of counties and towns [zhen 6966] and establish county-level cities [xian ji shi 4905 4787 1579].

Comrade Ma Wenrui said: Economic reforms involve wide fields, and the task is extremely arduous. The agricultural production front has taken relatively great strides in reform in recent years; the system of contracted responsibilities for each household should be further stabilized and perfected, and gradually introduced in diversification, the commune and brigade enterprises, and the agriculture, forestry and animal husbandry farms.

On the industrial front, we must further reform the economic management setup, break down the demarcation lines between areas and departments, and do a good job in promoting economic combines and enterprise reorganization. We must promote the system of substituting taxes for delivery of profit to the state in a planned way, and improve relations between the state and the enterprises. We must promote practical and effective economic and management responsibility systems. Under the premise of ensuring bumper state revenues, units that achieve higher revenue can gain more; the state should take the biggest share, the enterprises the medium one, and the staff and workers the smallest. We must organize coordination between enterprises and promote the contract system, with mutual stimulation, constraints and guarantees. This year we must concentrate efforts to consolidate the 40 key enterprises and 39 enterprises running at rather high losses, as designated by the provincial authorities. Reform must be the main content of consolidation, which must be carried out in conjunction with reality. We must apply the experiences of the Shoudu Iron and Steel Company and other advanced enterprises and score practical results.

Commerce plays the function in the national economy of exchange and a certain degree of redistribution of national income. It plays a positive and stimulating role in industrial and agricultural production. At present there are rather a lot of problems in the commercial setup. There are duplication of organs, too many links, and blocked circulation channels. These have already affected the development of current industrial and agricultural production. We must get a good grasp of reforms on this front, and take as the point of breakthrough the institution of the system of contracted responsibilities in management. This work should be completed in the catering and service trades in the first half of the year, and by yearend in the retail trade. The rural supply and marketing cooperatives must revive the nature of cooperative commerce. We must strengthen the mass nature in the organization of these cooperatives, their sense of democracy in management, and flexibility in operations, and gradually turn the supply and marketing cooperatives into pivots linking up agriculture, industry and commerce, and production, supply and sales, and into centers for developing commodity production and providing production, technology and daily life services. Pilot projects should be organized in the first half of the year, and the work should be completed by yearend.

While carrying out structural and economic reforms, all fields of the superstructure must, in accordance with the central policy decision, grasp their own vital points, get a clear idea of the guidelines for reforms, put forward reform methods, and carry out reform work, beginning with points and spreading to whole areas.

On the third topic, Comrade Ma Wenrui pointed out: The large-scale reform now underway is a new thing for us. We lack sufficient experience. We must pay particular attention to strengthening leadership. Economic work is the core of all our work. We must not waver on this point. However, we must carry out reforms in order to promote economic work. The party committees and government at all levels must make proper arrangements and organize two groups; while grasping industrial and agricultural production and construction, they must devote very great efforts to reform. Leading comrades must personally get to work to investigate and study, sum up and popularize progressive experiences, and promptly solve problems in reforms, especially problems of a policy nature.

We must pay attention to carrying out reforms under leadership and with plans. We must not rush headlong into mass action and do the job in a perfunctory way. The rural areas have spent 5 years popularizing the responsibility systems. Conditions in the towns are much more complex than in the rural areas. We must therefore get a tight and careful grip on things and avoid acting with excessive haste. We should carry out more ideological education for certain comrades whose understanding cannot keep up for the time being. We must do a good job in reforms and teach the cadres by practice, understanding, more practice and more understanding; we cannot complete the task by putting pressure on people.

He said: Organizing pilot projects first and popularizing their experiences afterwards is the work method we must stick to in carrying out reforms. The process of organizing pilot projects is a process of investigation and study, of learning from the masses and of summing up their new experiences in practice. It is also a process of training the cadres and cultivating the ranks. So long as we work hard to study the new conditions and understand the new things, we can continually enrich our thinking, broaden our vision, and carry out reforms in a positive, steady, resolute and orderly way.

Comrade Ma Wenrui stressed in conclusion: The profound reform we are facing is a revolution against the old setup. We must brace our revolutionary spirit, and continually maintain a good mental approach.

At present we must, in particular, stress the spirit of displaying firmness, persistence and stubborn endeavor, the pioneering spirit of boldly exploring and reforming and opening up the way to forge ahead, and the truth-seeking spirit of stressing practical results, shunning false fame and advancing in a thoroughly sound way. In this way we can ensure that the reforms will forge ahead healthily and smoothly, and create a brand-new situation in socialist modernization while carrying out reforms.

COMFORT GROUP SENT TO XINJIANG EARTHQUAKE AREA

HK220401 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 21 Feb 83

[Text] Sent by the regional CPC Committee and People's Government, a sympathetic inquiry delegation headed by (Manaiqi Yilinkanji), deputy director of the regional Nationalities Affairs Commission, and (Amus Fautz), deputy head of the regional Bureau of Seismology, left Urumqi today for (Tuoyan) commune in Wuqia County to express sympathy and solicitude for the peasants, herdsmen and PLA frontier guards struck by a strong earthquake, to relay the kind concern of the regional CPC Committee and People's Government for the people in the disaster area, and to help the local party committees and people's governments solve urgent problems.

The regional Bureau of Seismology also dispatched scientific and technical personnel to the disaster area to conduct an on-the-spot investigation and, together with the local meteorological department, do a further good job of earthquake forecasting and prevention.

On 18 February, the regional CPC Committee and People's Government sent a letter, expressing their sincere sympathy to the army and people of various nationalities in the quake-stricken area. Meanwhile, the regional People's Government has allocated relief funds to help the people in the disaster area overcome the disaster, rebuild their home villages and develop production.

BEIJING ENCOURAGES TAIWAN TRADE WITH MAINLAND

OW201032 Beijing in Mandarin to Taiwan 0400 GMT 19 Feb 83

[Commentary: "It Is Not Too Late To Mend the Fold Even After Some Sheep Have Been Lost"]

[Text] Last year Taiwan was plagued by an economic slump, slack business and an increasing number of unemployed. According to a Taiwan newspaper, total unemployment in Taiwan by the end of 1982 had reached 200,000, which is about 3 percent of its entire labor force. Some people even estimate the unemployment rate in Taiwan at 5 percent, the highest in 30 years. The number would have been higher if those underemployed people and a further undisclosed number of unemployed people had been counted.

During periods of economic stability, unemployment may bring worries and annoyance to an individual and his family; however, they still hope to find another job. But it is very serious if a person becomes jobless when the economy has long been in recession and is not going to recover soon, especially when large numbers of factories and shops have closed and their employees have been laid off. During such a period, even those who are employed may worry about losing their jobs, not to mention those who are unemployed.

If a salaried man, who lives in today's urban society and has no savings, loses his job, he may run into all sorts of hardships and frustrations. He may suffer poverty, starvation and indebtedness. Moreover, he may even have to sell his children, split up his family, beg in the streets, commit suicide out of despair or commit criminal acts.

Serious unemployment problems in society are a misery and omens of misfortune. All sorts of social frictions will increase in proportion to the number of unemployed. Undoubtedly, people's support for the government and social and political stability also can be influenced by unemployment problems. It has been proved since ancient times that an economically prosperous society is also a society with political stability and social peace. Conversely, if a society is plagued by a business slump, it will surely be afflicted with dirty politics, declining moral standards and an increasing number of thieves.

People who live in Taiwan and elsewhere unanimously point out that one of the main causes of Taiwan's economic setback are the political mistakes committed by the Taiwan authorities. These mistakes have resulted in an overall decline in Taiwan's society. If no corrective actions are taken to stop this downward trend, the consequences will be grave due to the intensifying clash between economic, social and political factors.

Therefore, is there absolutely no way out at present for Taiwan's economy? No, this is not true. Is it absolutely impossible for Taiwan's economy to recover? No, this is not so either. People of insight in Taiwan have learned that the motherland's economy is picking up day by day, that its people's purchasing power is increasing and that its market is getting bigger. People in industrial and commercial circles in Taiwan have all been longing for this huge market and demanding an early opening of commercial links with the motherland.

We believe that to rely on foreign countries is not a sound long-term policy, especially at a time when the Western nations cannot even take care of themselves due to the economic recession. How can Taiwan rely on them? Therefore, for the sake of safeguarding the Taiwan people's interests and their own interests, the powerholders in Taiwan should not let this golden opportunity slip away.

ZHONGGUO XINWEN SHE REVIEWS TAIWAN'S ECONOMY

HK181120 Beijing ZHONGGUO XINWEN SHE in Chinese 0815 GMT 17 Feb 83

[Article by LI Jiaquan [2621 1367 3123]: "On a Speech by Taiwan's 'Minister of Economic Affairs'"]

[Text] Beijing, 17 Feb (ZHONGGUO XINWEN SHE) -- Two years have now elapsed since Taiwan's "Minister of Economic Affairs" Chao Yao-tung took office near the end of the old Chinese calendar year in 1981, and comments are again growing in the Taiwan media. People used to say that he was given a very important assignment at a time of national emergency and joined the cabinet at an advanced age, and that he had rich experience and great expectations. Today he is exhausted, has more gray hair and looks emaciated, but the economy is still depressed and has a tendency of going from bad to worse.

Recently, Chao made a speech at a Taiwan university. Apart from talking about the efforts he had made and the lack of success during this time, he also said, with a touch of emotion: "A defeated general has nothing to brag about. On this battlefield of developing economy, we must always be prepared to give battle. Judging from today's achievements, I am this defeated general and it is with a feeling of shame I make this report to you."

This frame of mind on the part of Mr Chao is not unexpected. Let us take a look at a few of the principal economic targets of Taiwan for last year. Economic growth, originally set at 7.5 percent, was 3.7 percent (the Taiwan press holds that it was in fact only 2 percent). Export growth, originally set at 12.8 percent, was minus 1.8 percent. Import growth, originally set at 14.4 percent, was minus 10.9 percent. Take the two major production departments, for example. Industrial growth, originally set at 7.9 percent, was minus 0.8 percent. Agricultural growth, originally set at 2.9 percent, was minus 0.2 percent. In all of last year, more than 50,000 companies either stopped business or closed down, and countless others were "in imminent danger" and "crying pitifully to be given food." Unemployment, originally estimated at 1.4 percent, had actually reached 5 percent, or about 300,000 people. If the semiunemployed are added, the number is at least over 1.2 million people. All these conditions have never or seldom been seen in the last 30 years. From this we can see the seriousness of the economic recession in Taiwan! No wonder a Taiwan newspaper recently lamented: The whole Taiwan society is in the dire straits of "a wretched storm."

What exactly is causing the economic of Taiwan to suffer? Some economists in Taiwan long ago diagnosed it as a case of acute "anemia." With the economy flagging, business languishing and profit disappearing, the industrialists and businessmen are, of course, unwilling to invest. Furthermore, everybody has a pretty good picture of the political instability and lacks confidence in the future. Consequently, a great deal of capital has flowed overseas or has been used in speculations. According to official statistics, as a result the level of investment has gone down by about 10 percent. In reality, this figure may even be higher. Capital is the lifeblood of business. Too great a loss will result in pallor, debility, and even shock and death. The other diagnosis is acute "rheumatism." Since the economy of Taiwan lacks independence, it is always influenced by the international climate. If there is any sign of disturbance or trouble in the U.S. or Japanese economies, Taiwan reacts strongly. Just like a person suffering from chronic rheumatism, the slightest change in weather will cause pain to the whole body. At present, it is experiencing a spell of bitterly cold weather, and such a violent attack of rheumatic pain is to be expected.

The illness of Taiwan's economy is worsening day by day. Under this situation, Mr Chao and his aides have on more than one occasion sighed and said that they are "not immortals and have no magic remedy."

However, the industrialists and businessmen, especially the small and medium entrepreneurs, have indignantly retorted: "If there is no magic remedy, a homemade remedy will do. The important thing is to save the economy. It is running a high fever; how can we wait any longer? How can it be saved when it has ceased to breathe?" However, the "homemade remedy" Mr Chao and others produce at present is also rather limited. For example, they have carried out a bit of "capital infusion" and "tax reduction," slightly "lowered the interest rate and the exchange rate" and also adopted some emergency measures for stimulating circulation and relaxing tension. However, as the Taiwan press stated: These are only "stopgap" and not "radical" measures, and cannot even alleviate the "symptoms." The fact that there is no sign of a turn for the better in the economy of Taiwan recently is eloquent proof of this statement. Formerly, in their disappointment, various industrial and commercial circles of Taiwan severely criticized Mr Chao for not exerting himself in taking effective measures and using appropriate medicine. Now they have gradually realized that this illness in the economy is definitely not something Mr Chao can cope with alone. Mr Chao has indeed "done all he could" but "the situation is beyond control." No one can stop the trend of continued decline in the economy. The Taiwan press predicted that the economy of Taiwan "may possibly be worse than last year," and even if there is a slight rally, it will not last long. The SHIH PAO magazine of Taiwan was quite sympathetic to Mr Chao and wrote: "It is not that no effort has been made, but actually nothing can be done!"

NEW YORK FORUM URGES REUNIFICATION OF CHINA

OW240908 Beijing XINHUA in English 0719 GMT 24 Feb 83

[Text] United Nations, February 23 (XINHUA) -- Peaceful reunification is the common will of the Chinese nation, the aspiration of the people on both sides of the Taiwan Straits and an irresistible historical trend. This was the consensus reached by speakers at a recent forum sponsored jointly by the New York and the Washington Peaceful Unification of China.

Speaking at the forum, which took place in New York on February 19, Saung Hsi-lien, a former Kuomintang general, said a recent survey of the heads of 35 townlets and counties in Taiwan conducted by the authorities there reveals that none of them is opposed to unification. This shows that the compatriots in Taiwan, including enlightened officials, are in favor of peaceful unification of China, he said.

Huang Chi-Zhi, chairman of the Washington Peaceful Unification of China, said that in a sort of "public opinion poll" conducted by his association among several hundred compatriots in or from Taiwan, none of them expressed opposition to China's unification. He added that the idea of peaceful unification has struck roots in the hearts of overseas Chinese and it will sprout and mushroom at an opportune moment and turn into a big current pushing forward the course of Chinese history.

Unification would in no way damage the interests of the Kuomintang, said W. John Pan, chairman of the New York Peaceful Unification of China. The Beijing side has expressed its sincerity on the matter, but the Kuomintang side has added not a few obstacles in the way of unification, he said.

C.J. Yao, a well-known painter, said a magazine in Taiwan has begun to give a limited space to articles on writers on the Chinese mainland. Unification should begin with literary and artistic exchanges between the two sides of the Taiwan Straits, he suggested. Feng Ta-yun, a businessman, said the first thing is that the two sides should agree to hold negotiations, and then they may discuss specific conditions and demands. Chang Li-yun, an engineer, and Lee Elaine, a teacher, said they were in favor of negotiations on peaceful unification from the people's stand and partisan interests should not be allowed to take the place of the people's will.

Appealing to Chiang Ching-kuo to accept peaceful unification right now, Richard Fong, son of the late General Feng Yu-hsiang, said that if Chiang accepts it, he would go down in history as a hero; otherwise, he would be relegated by history as a flunkey of imperialism and a traitor to the Chinese nation.

WEN WEI PO ON OBSTACLES IN SINO-U.S. RELATIONS

HK200132 Hong Kong WEN WEI PO in Chinese 20 Feb 83 p 2

[Editorial: "Eliminate Obstacles in Sino-U.S. Relations"]

[Text] When U.S. Secretary of State Shultz visited China at the beginning of February, he exchanged views with Chinese leaders on the main problems in Sino-U.S. relations. He brought a message and an undertaking from President Reagan pledging adherence to the Sino-U.S. joint communique of 17 August. Shultz also stated that the United States was willing and resolved to adhere to the undertakings contained in the Shanghai Communique, the communique on the normalization of Sino-U.S. relations and the 17 August communique. Both the Chinese and U.S. sides hoped that his trip would help to promote understanding, eliminate the differences, establish mutual confidence and trust, and stimulate the healthy development of relations between the two countries. The two sides have promoted understanding as a result of Shultz' visit to China, but differences between them remain.

During his China trip, Shultz and Chinese leaders affirmed the gains made in Sino-U.S. relations and exchanged views on the current obstacles. Sino-U.S. relations recently fell to a low point because of these obstacles. The Taiwan issue is the biggest obstacle to improving Sino-U.S. relations.

On 17 August last year, China and the United States issued a joint communique on the phased and eventually total solution of the question of U.S. arms sales to Taiwan. The U.S. side made three undertakings in the communique: 1) the arms it sold to Taiwan would not exceed in quality and quantity the level since the establishment of Sino-U.S. diplomatic relations; 2) the United States was prepared to gradually reduce arms sales to Taiwan; and 3) this question would be completely resolved after a period of time.

This communique took account of historical factors and was also based on reality. If the United States respected Chinese sovereignty and tangibly implemented the provisions of the communique, then it could gradually reduce and finally halt arms sales to Taiwan and eventually eliminate the biggest obstacle in Sino-U.S. relations.

What is regrettable is that the U.S. side has by no means strictly adhered to the provisions of the communique. The U.S. authorities have given a distorted explanation of the communique. Last year senior U.S. officials attended a bogus "National Day" celebration party given by the Taiwan authorities' organs in the United States, and the U.S. Government allowed the Taiwan "North American Affairs Committee" to set up another office in Boston. The Taiwan arms sale quota put forward by the United States has greatly exceeded the highest annual figure to have been announced by U.S. Government departments. The latest example is the sale of 66 Starfighter-G's to Taiwan. The Chinese authorities have stated that they will study the implications of this sale.

The U.S. side holds that arms sales with Taiwan conform to the "Taiwan Relations Act." This act treats Taiwan as a political entity; it violates Chinese sovereignty and interferes in China's internal affairs, and its ultimate objective is to have Taiwan permanently separated from China. So long as the "Taiwan Relations Act" continues to exist, it is not possible to eliminate the serious obstacles in Sino-U.S. relations.

The United States has adopted a policy of discrimination and restriction against China in matters of trade and technical exchanges. The Sino-U.S. trade agreement stipulates that both sides will adopt a series of appropriate measures to create the best conditions for strengthening economic and trade ties between the two countries in all respects. The fourth round of talks on the Sino-U.S. textile agreement was fruitless because the U.S. side insisted on discriminatory and restrictive action against Chinese textile exports to America. The U.S. authorities concerned announced on 13 January unilateral restrictions on imports of Chinese textiles.

This move violated the basic principle of the trade agreement between the two countries. The United States has imposed all kinds of restrictions on the supply of advanced technology to China. The "judgment by default" handed out against China by the Alabama District Court in the Huguang railways bearer bonds case was an absurd act that violated the principles of international law on equality of national sovereignty and the UN Charter. These U.S. moves run counter to the principle of mutual respect, equality and mutual benefit; damage Sino-U.S. relations and normal economic and trade exchanges between the two countries (Sino-U.S. trade in the first 11 months of last year was down by 3.6 percent compared with the same period of 1981); and do not help promote the development of relations between the two countries.

It is only in words that the U.S. Government has undertaken to adhere to the communique on the establishment of Sino-U.S. diplomatic relations and the joint communique of 17 August; in its actual deeds it has gone in the opposite direction. How can there be healthy development of relations between the two countries then? This is double-dealing diplomacy, and the Reagan administration must bear responsibility for the deterioration.

#### PRC-MACAO COOPERATION AGREEMENT SIGNED

HK190642 Hong Kong SOUTH CHINA MORNING POST in English 19 Feb 83 p 5

[By "our own correspondent"]

[Text] Macao, Feb 18 -- The governor, Rear Admiral Vasco de Almeida e Costa, stressed the importance of the cooperation agreement signed today between Macao and Zhuhai.

Cooperation with China would benefit both countries, and certainly help Macao's future development, he said during the protocol of cooperation signing ceremony held at the Leal Senado this morning.

The agreement, signed by the secretary for planning and development, Mr Almifar Martins, and the general manager of the joint venture company, Macao-Zhuhai Development Co Ltd, Mr Gao Ming, provides for the reclamation of 110 hectares of land in the outer harbour. Both Admiral E Costa and the mayor of Zhuhai, Mr Wu Jian-in, attended the ceremony.

Mr Wu, in his speech, stressed that Macao could turn to Zhuhai for help if needed in the future. Work on the reclamation is expected to start at the beginning of next year and it is estimated that the first stage will take five years to complete. Mr Wu returned to Zhuhai this afternoon.

#### YANG SHANGKUN, LIAO CHENGZHI STUDY OIL SITUATION

HK190706 Hong Kong SOUTH CHINA MORNING POST in English 19 Feb 83 p 4

[By foreign affairs editor David Chen: "Officials' Visit Turns Spotlight on Chiwan Oil"]

[Text] Two senior government officials recently visited the Chiwan logistics base for South China Sea oil ventures and made detailed inquiries on the development and progress of the new oil town.

They were the secretary general of the party Military Affairs Commission, Mr Yang Shangkun, and the vice-chairman of the National People's Congress, Mr Liao Chengzhi, who were spending the Spring Festival holidays in the South.

The two leaders took note of the progress elsewhere in the zone, including the holiday resort at Xili, a picturesque reservoir preserve in the northern part of the region.

It was their presence at Chiwan, however, that attracted the attention.

The visit came at a time when the final assessment of tenders for joint oil exploration in the South China Sea has reached a crucial point. Tenderers are expected to be informed of the result of their application, and contracts discussed next month.

Thirty-three companies and conglomerates have tendered for the lucrative venture, about half of them American, reputed to possess the best and most advanced technology in this field.

For China, the award of large-scale tenders could be the watershed in the country's quest for the exploration of new energy sources.

China's oil production has been on the decline since it reached a peak of 106 tons in 1978 -- the official figure for last year was 102 million metric tons.

Some observers believe, however, that the figure was a little on the optimistic side, and it could be below 100 million tons.

There have been persistent reports that despite great efforts made in redeveloping existing oilfields and offshore endeavours in Bohai Bay, production has remained static due probably to two factors:

-- The depletion of existing deposits -- involving the introduction of more advanced technology to reach hitherto inaccessible stratas.

-- The lack of such advanced technology.

The development of new oil fields, the latest being in the South China Sea, is vital, even though world oil prices have declined.

In spite of the stagnation in domestic production, oil exports continue to increase. Last year, a total of 19.9 million tons of crude and refined petroleum was exported, a jump of 1.3 million tons over 1981.

The static production means that some refineries, including that near Whampoa, 50 miles north of Hong Kong, built in the mid-1970s in anticipation of increased production, are now working well below capacity.

Rumours, as yet unconfirmed, claim that China has been forced into quietly exploring the possibility of buying crude from other oil-producing countries, including Indonesia.

The South China Sea oil deposits are China's great hope for a "giant leap" in the energy field, and countries with the most advanced technology have been competing for a slice of the lucrative cake. While American technology is undoubtedly the best, other countries including Japan and Britain, have shown great interest in the joint endeavour.

Although American officials are tight-lipped about it, it is believed that the South China Sea oil venture was one of the major topics discussed at the recent American chiefs of mission conference in Hong Kong, which was presided over by the U.S. secretary of state, Mr George Shultz.

Formation of the Chiwan logistic base, located on the other side of the Shekou promontory, has been under way for many months and several Hong Kong firms have shown an interest in the provision of servicing it. The base is expected to be completed later this year when a large-scale survey in the South China Sea is expected to begin.

The Shekou promontory is one of the best developed areas in the economic zone, largely through the expertise of Hong Kong. The major developer is the China Merchants Steam Navigation Co Ltd, whose Hong Kong headquarters are in West Point.

Shumchun has drawn the attention of leaders from Peking of late. The prime minister, Mr Zhao Ziyang, visited the zone upon his return from an 11-nation visit to Africa. A senior Politburo member, Mr Wang Zhen, was there late last month and a week ago, the party general secretary, Mr Hu Yaobang, toured the facilities. Mr Hu is still in Guangdong, visiting Hainan Island.

The country's top leader, Mr Deng Xiaoping, visited Canton last summer, and was to have visited Shumchun. Although he did not make the trip, he did leave some very definite instructions for the administration of the economic zone.

#### PRC ADOPTS MEASURES FOR SPECIAL ECONOMIC ZONES

HK180123 Hong Kong HONG KONG STANDARD in English 18 Feb 83 p 12

[Article by James Tang: "Shenzhen Feeling Pinch of 1997"]

[Text] The Chinese authorities are adopting new programmes in the special economic zones (SEZ's) to counter a drastic drop in investments from Hong Kong. Domestic joint ventures among Chinese enterprises within the SEZ's and those in other parts of the country are now encouraged.

These observations were made by two scholars from the University of New South Wales, Shum Kui-kwong and Louis Sigel, who visited Shenzhen and Zhuhai last month and arrived here on Wednesday night.

"We observed a noticeable fall in investments from Hong Kong after September, but the authorities are still optimistic about the future development of the special zones," Dr Shum said. He said the authorities in the SEZ's were also worried about inflation and pollution problems. "But they are learning fast and have recently set up a training centre for managers and workers in the special zones," he said.

Dr Shum said many people in China believed that the sharp drop in investments from Hong Kong was a direct result of the anxiety over the colony's future. The problem was not considered very important when the special zones were first launched, and recent developments, especially after the British prime minister's visit to China, were beyond expectation, Dr Shum said. However, Dr Shum said he and Dr Sigel were told by the deputy mayor of Shenzhen, Zhou Qiwu, that the Chinese authorities have full confidence in the future of the SEZ's. "I think they have some problems now but they have identified those problems and are tackling them well," he said.

The training centre set up last April was a clear attempt to keep pace with modern industrial and management developments, Dr Shum said. He said the centre has already organised 43 training courses for 2,945 workers and managers in the SEZ's and it has also conducted studies on the economy of Hong Kong and Macao.

Inflation in the SEZ's is another problem which has become serious, Dr Shum said. He said prices of daily commodities in the SEZ's have doubled since 1978 and wages of workers have gone up but the gap is far from being breached. "The authorities have now changed the eight grade wage system and are calculating wages according to the productivity of the workers as far as possible," Dr Shum said. "For managers in higher positions, the reward would be based on their responsibility rather than the grade system as well," he added.

Dr Shum said pollution is not so much an internal problem for the Chinese authorities. "The Chinese had realised the problem of pollution at an earlier stage and all factories in the SEZ's have to install a proper wastage disposal system," he said.

Dr Shum was also very optimistic about the future development of the SEZ's, saying: "The Chinese have absorbed past experience and are willing to reform."

WEN WEI PO INTERVIEWS SPECIAL ZONE OFFICIAL

HK200408 Hong Kong WEN WEI PO in Chinese 20 Feb 83 p 2

["Special feature" by correspondent Kuang Yu: "The State Council Special Zones Office and the Special Zones"]

[Text] While on a recent visit to various special economic zones in China, I happened to meet a person concerned of the State Council Special Zones Office and could not help asking some questions about the current situation in China's four economic zones, the effect of the recently issued central "Document No 50" on the special zones, the work of the State Council Special Zones Office since its establishment 1 year ago, the development and import of foreign investment in Hainan and so on.... The interview went as follows:

The Central "Document No 50"

Question: It seems that all the personnel of your office have recently left for various places. Why is that?

Answer: Actually the work personnel of the Special Zones Office have long been active all over the place. They have gone to the special zones to investigate and study, but generally speaking not so many people have gone there before as have this time. Some of us have gone to Hainan Island, and some to Shenzhen, Zhuhai, Shantou and Xiamen. They want to see development in the special zones and the difficulties they have encountered, help them to clear the circulation channels, and also put forward some views for their use as reference, so that in the future the special zones can open up still more and be run still better, and an even better investment environment can be created for outside businessmen.

Question: Can we talk about the main intentions of "Document No 50"?

Answer: "Document No 50" recently issued by the central authorities is a basic summation of the new undertaking of trial-running special economic zones in the past 3 years. In theory and practice it fully affirms the significance and correctness of the major policy decision on trial-running these zones, further expounds the principles and policies for trial-running them and also gives explicit instructions on solving major problems that urgently need solving in work in the special zones.

Hainan Island -- a Fifth Special Zone?

Question: According to our information, your office recently sent a section chief and a cadre to Hainan Island. What interest do you have in going there since it is not a special zone?

Answer: The main purpose of their trip was to get to know local conditions and customs and natural resources. Hainan is an undeveloped treasure island! Its resources are richer than those of Taiwan.

Question: The State Council Special Zones Office is led by State Councillor Gu Mu. It seems that Hainan Island may become China's fifth special zone?

Answer: As commissioned by Premier Zhao, Gu Mu is responsible for the implementation of special policies and flexible measures in Guangdong and Fujian Provinces. Since Hainan Island is located in Guangdong, it is also a component part of the execution

of special policies and flexible measures. Although it will not be turned into a special zone, it is essential to give Hainan greater decisionmaking powers and more development capital. The state intends to develop the island's mines and tropical crops and promote tourism.... In accordance with existing conditions on the island, we hope it can attract foreign investment by offering even more favorable terms than the special zones do. As to how to proceed, obviously the leaders of Guangdong Province will have to study and draw up a scheme.

Question: When can Hainan Island be developed then?

Answer: Soon! Sit quietly and wait for good news! You should go to Hainan to see for yourself after May this year.

Question: Some people say that the State Council Special Zones Office and the Guangdong Provincial Special Zone Administrative Committee do not conform to the current principle on streamlining the administration. What is your view on that?

Answer: The Guangdong Provincial Special Zone Administrative Committee plays a coordinating role over Shenzhen, Zhuhai and Shantou. The State Council Special Zones Office plays a role of overall coordination, clearing the way and providing guidance. For instance, after the Shenzhen Special Zone control line is completed, the State Council will also send someone to inspect and accept it before the official form of the special zone can be defined. The special zone administrative committees of Guangdong and Fujian Provinces have their specific duties and tasks; the role they should play is a major link in helping the State Council Special Zones Office to run the special zones well.

#### Focal Points of the Special Zones Office

Question: What have been the focal points in work of your office over the past 1 year?

Answer: We have mainly focused on carrying out investigation and study in the special zones; we have gone around listening, observing, summing up and so on.

Question: Having been to the special zones, what are your feelings about them?

Answer: Every special zone has its strong and weak points. Shenzhen Special Zone is very large, and I believe that it will also face many difficulties; this is quite natural. However they have carried out communications construction and land leveling and have thus gotten things going. The question now is how to run this special zone in an even sounder way. It is correct to first lay out the Luchu subzone, and the Shangbu and Bagualing industrial zones. Apart from that, the building of spiritual civilization among the service personnel should also develop in depth. Communications construction and land leveling in the Zhuhai Special Zone has not yet been launched comprehensively and well, and it seems that they will have to devote great effort and resolve in these respects. Zhuhai City's tourism has been successful.

Shantou Special Zone's position is not as favorable as that of Shenzhen and Zhuhai, but Shantou City's industrial foundation is good, and the work of communications construction and land leveling in the industrial areas of the special zone has developed relatively steadily. They have done the work a bit at a time, displayed the spirit of struggle amid arduous conditions and made good use of every cent; they have not waited for money from the state. Generally speaking, the achievements scored by the Shenzhen, Zhuhai, Shantou and Xiamen Special Zones were not easily gained.

The work style of the personnel of the State Council Special Zones Office, as revealed in many contacts and conversations with them, has left a profound impression. "Document No 50" could not have appeared without the quiet, hard work and activities of these intellectuals over the past year.

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